世界華文 媒體 MEDIA CHINESE

2019/20
ANNUAL REPORT

Media Chinese International Limited
世 界 華 文 媒 體 有 限 公 司

明報 MING PAO DAILY NEWS
星洲日報 SIN CHEW DAILY
南洋商報 NANYANG SIANG PAU
中國報 CHINA PRESS
光明日報 Guang Ming Daily

Malaysia Company No. : 200702000044 Malaysia Stock Code : 5090 Hong Kong Stock Code : 685

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Corporate Information

NON-EXECUTIVE DIRECTOR

Dato' Sri Dr TIONG Ik King *(Chairman)*

EXECUTIVE DIRECTORS

Ms TIONG Choon
Mr TIONG Kiew Chiong
(Group Chief Executive Officer)
Mr LEONG Chew Meng

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr YU Hon To, David
Datuk CHONG Kee Yuon
Mr KHOO Kar Khoon

GROUP EXECUTIVE COMMITTEE

Mr TIONG Kiew Chiong *(Chairman)*
Mr LEONG Chew Meng
Mr WONG Khang Yen
Mr LIEW Sam Ngan

AUDIT COMMITTEE

Mr YU Hon To, David *(Chairman)*
Datuk CHONG Kee Yuon
Mr KHOO Kar Khoon

REMUNERATION COMMITTEE

Datuk CHONG Kee Yuon *(Chairman)*
Mr YU Hon To, David
Mr KHOO Kar Khoon
Mr TIONG Kiew Chiong
Mr LEONG Chew Meng

NOMINATION COMMITTEE

Mr KHOO Kar Khoon *(Chairman)*
Mr YU Hon To, David
Datuk CHONG Kee Yuon

JOINT COMPANY SECRETARIES

Ms TIN Suk Han
Ms TONG Siew Kheng

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
Malayan Banking Berhad
OCBC Bank (Malaysia) Berhad
OCBC Wing Hang Bank Limited
Public Bank Berhad
RHB Bank Berhad

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor

STOCK CODE

The Stock Exchange of Hong Kong Limited	685
Bursa Malaysia Securities Berhad	5090

WEBSITE

www.mediachinesegroup.com

Corporate Information

HONG KONG HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

15th Floor, Block A
Ming Pao Industrial Centre
18 Ka Yip Street
Chai Wan
Hong Kong
Tel: (852) 2595 3111
Fax: (852) 2898 2691

MALAYSIA HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

No. 78, Jalan Universiti
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia
Tel: (603) 7965 8888
Fax: (603) 7965 8689

REGISTERED OFFICE IN BERMUDA

Victoria Place, 5th Floor
31 Victoria Street
Hamilton HM10
Bermuda
Tel: (441) 294 8000
Fax: (441) 295 3328

REGISTERED OFFICE IN MALAYSIA

12th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia
Tel: (603) 7890 4800
Fax: (603) 7890 4650

PRINCIPAL REGISTRAR AND TRANSFER OFFICE

MUFG Fund Services (Bermuda) Limited
The Belvedere Building
69 Pitts Bay Road
Pembroke HM08
Bermuda
Tel: (852) 2978 5656
Fax: (852) 2530 5152

HONG KONG BRANCH REGISTRAR AND TRANSFER OFFICE

Tricor Tengis Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong
Tel: (852) 2980 1333
Fax: (852) 2810 8185

MALAYSIA BRANCH REGISTRAR AND TRANSFER OFFICE

Tricor Investor & Issuing House Services Sdn Bhd
Unit 32–01, Level 32
Tower A, Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Malaysia
Tel: (603) 2783 9299
Fax: (603) 2783 9222

Customer Service Centre:
Unit G–3, Ground Floor,
Vertical Podium
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Malaysia

Profile of Board of Directors

Dato' Sri Dr TIONG Ik King
Non-executive Director and Chairman (Non-independent)
Malaysian, male, aged 69

Dato' Sri Dr TIONG Ik King was appointed as an executive director of Media Chinese International Limited (the "Company" or "MCIL") on 20 October 1995 and was re-designated as a non-executive director on 1 April 2017. He was then appointed as the Chairman of the Company on 1 April 2018. He has extensive experience in media and publishing, information technology, timber, plantations, oil palm and manufacturing industries.

Dato' Sri Dr TIONG graduated from the National University of Singapore with an M.B.B.S. Degree in 1975 and became a member of the Royal College of Physicians, United Kingdom (M.R.C.P.) in 1977. He was conferred the datukship title of Dato' Sri by the Sultan of Pahang, Malaysia on 24 October 2008 in recognition of his contribution to the country.

Dato' Sri Dr TIONG currently serves as a non-executive director of Jaya Tiasa Holdings Berhad, a listed company in Malaysia and as a non-executive director and Chairman of RH Petrogas Limited, a listed company in Singapore. He is a trustee of Yayasan Sin Chew and sits on the board of a subsidiary of the Company.

He is a brother of Tan Sri Datuk Sir TIONG Hiew King, an uncle of Ms TIONG Choon and a distant relative of Mr TIONG Kiew Chiong. Both Dato' Sri Dr TIONG Ik King and Tan Sri Datuk Sir TIONG Hiew King are substantial shareholders of the Company. In addition, Ms TIONG Choon and Mr TIONG Kiew Chiong are directors of the Company.

拿督斯里張翼卿醫生
非執行董事兼主席（非獨立）
馬來西亞公民，男性，69歲

拿督斯里張翼卿醫生於1995年10月20日獲委任為世界華文媒體有限公司（「本公司」）執行董事，並於2017年4月1日調任為非執行董事。他其後於2018年4月1日獲委任為本公司主席。他在傳媒及出版、資訊科技、木材、林業、油棕及製造業領域均擁有豐富經驗。

拿督斯里張醫生於1975年畢業於新加坡國立大學，獲頒內外全科醫學士學位，並於1977年取得英國皇家內科醫學院會員資格。他於2008年10月24日獲馬來西亞彭亨州蘇丹頒授拿督斯里封號，以表揚他對國家的貢獻。

拿督斯里張醫生現任馬來西亞上市公司常成控股有限公司之非執行董事及新加坡上市公司常青石油及天然氣有限公司之非執行董事兼主席。他是星洲日報基金會受託人，同時出任本公司一間附屬公司之董事。

他是丹斯里拿督張曉卿爵士的胞弟、張聰女士的叔父及張裘昌先生的遠房親戚。拿督斯里張翼卿醫生及丹斯里拿督張曉卿爵士均為本公司的主要股東。此外，張聰女士和張裘昌先生均為本公司之董事。

Profile of Board of Directors

Ms TIONG Choon
Executive Director
Malaysian, female, aged 51

Ms TIONG Choon was appointed as a non-executive director of the Company on 31 March 2013 and was re-designated as an executive director of the Company on 17 July 2017. She was appointed as the Chairman of One Media Group Limited ("One Media") on 1 April 2018, a subsidiary of the Company which is listed on the main board of The Stock Exchange of Hong Kong Limited (the "HK Stock Exchange"). She is a director of Sin Chew Media Corporation Berhad ("Sin Chew"), a wholly-owned subsidiary of the Company in Malaysia and sits on the board of a number of subsidiaries of the Company. She has started her career with Rimbunan Hijau Group since 1991 and served in various managerial and senior positions in plantation and hospitality sectors. She holds a Bachelor of Economics Degree from Monash University, Australia. She is currently a non-independent non-executive director of Jaya Tiasa Holdings Berhad, a listed company in Malaysia.

Ms TIONG is a daughter of Tan Sri Datuk Sir TIONG Hiew King, a niece of Dato' Sri Dr TIONG Ik King and a distant relative of Mr TIONG Kiew Chiong. Both Tan Sri Datuk Sir TIONG Hiew King and Dato' Sri Dr TIONG Ik King are substantial shareholders of the Company. In addition, Dato' Sri Dr TIONG Ik King and Mr TIONG Kiew Chiong are directors of the Company.

張聰女士
執行董事
馬來西亞公民，女性，51歲

張聰女士於2013年3月31日獲委任為本公司非執行董事，其後於2017年7月17日調任為執行董事。她亦於2018年4月1日獲委任為萬華媒體集團有限公司(「萬華媒體」)之主席，該公司是本公司附屬公司，於香港聯合交易所有限公司(「香港聯交所」)主板上市。她亦出任星洲媒體集團有限公司(「星洲媒體」)及本公司多間附屬公司之董事。她於1991年加入常青集團開展其職業歷程，於林業及酒店服務業擔任管理層及高級主管之職務。她持有澳洲莫納什大學經濟學學士學位。她現為馬來西亞上市公司常成控股有限公司之非獨立非執行董事。

張女士為丹斯里拿督張曉卿爵士的女兒、拿督斯里張翼卿醫生的侄女及張裘昌先生的遠房親戚。丹斯里拿督張曉卿爵士及拿督斯里張翼卿醫生均為本公司的主要股東。此外，拿督斯里張翼卿醫生和張裘昌先生均為本公司之董事。

Mr TIONG Kiew Chiong
Executive Director and Group Chief Executive Officer
Malaysian, male, aged 60

Mr TIONG Kiew Chiong was appointed as an executive director of the Company on 2 May 1998. He is the Group Chief Executive Officer, the Chairman of the Group Executive Committee and a member of Remuneration Committee of the Company. Mr TIONG is also the Deputy Chairman of One Media, a subsidiary of the Company which has been listed on the main board of the HK Stock Exchange since October 2005. Mr TIONG sits on the board of Nanyang Press Holdings Berhad ("Nanyang"), The China Press Berhad ("China Press"), and a number of subsidiaries of the Company. He is also the alternate trustee to Dato' Sri Dr TIONG Ik King in Yayasan Sin Chew. He has extensive experience in media and publishing business and is also one of the founders of *The National*, an English newspaper in Papua New Guinea launched in 1993. Mr TIONG obtained his Bachelor Degree of Business Administration (Honours) from York University, Toronto, Canada in 1982.

He is a distant relative of Tan Sri Datuk Sir TIONG Hiew King, Dato' Sri Dr TIONG Ik King and Ms TIONG Choon. Tan Sri Datuk Sir TIONG Hiew King and Dato' Sri Dr TIONG Ik King are substantial shareholders of the Company. In addition, Dato' Sri Dr TIONG Ik King and Ms TIONG Choon are directors of the Company.

張裘昌先生
執行董事及集團行政總裁
馬來西亞公民，男性，60歲

張裘昌先生於1998年5月2日獲委任為本公司執行董事。他是集團行政總裁、集團行政委員會主席及本公司的薪酬委員會成員。張先生也是萬華媒體的副主席。該公司是本公司附屬公司，自2005年10月起在香港聯交所主板上市。張先生出任南洋報業控股有限公司(「南洋報業」)，中國報有限公司(「中國報」)及本公司多間附屬公司之董事。他也擔任拿督斯里張翼卿醫生於星洲日報基金會的候補信託人。他在傳媒及出版業擁有豐富經驗，於1993年在巴布亞新幾內亞參與創辦英文報章《*The National*》。張先生於1982年畢業於加拿大多倫多約克大學，獲頒工商管理學士(榮譽)學位。

他是丹斯里拿督張曉卿爵士、拿督斯里張翼卿醫生及張聰女士之遠房親戚。丹斯里拿督張曉卿爵士及拿督斯里張翼卿醫生均為本公司的主要股東。此外，拿督斯里張翼卿醫生和張聰女士均為本公司之董事。

Profile of Board of Directors

Mr LEONG Chew Meng
Executive Director
Malaysian, male, aged 64

Mr LEONG Chew Meng was appointed as a non-executive director of the Company on 14 April 2008 and was re-designated as an executive director of the Company on 31 March 2013. He is a member of the Group Executive Committee and Remuneration Committee of the Company. He is an executive director of Sin Chew. He also sits on the boards of Nanyang, China Press and a number of subsidiaries of the Company. He obtained his Bachelor of Commerce and Administration Degree majoring in accountancy from Victoria University of Wellington in New Zealand. He is a Chartered Accountant of the Malaysian Institute of Accountants and qualified as an Associate Chartered Accountant of the Institute of Chartered Accountants, New Zealand. He is an accountant by profession with extensive working experience of more than 40 years in Malaysia. In his professional roles, he was previously the financial controller and finance director of several foreign-owned multinational companies in the manufacturing, trading and retail sectors, and he subsequently diversified into the commercial sector as a business consultant and financial advisor to both private entities and public listed companies. His financial expertise and business acumen in the media industry has spanned over a period of more than 15 years.

梁秋明先生
執行董事
馬來西亞公民，男性，64歲

梁秋明先生於2008年4月14日獲委任為本公司非執行董事，其後於2013年3月31日獲調任為執行董事。他是本公司集團行政委員會及薪酬委員會成員。他是星洲媒體之執行董事。梁先生亦出任南洋報業、中國報及本公司多間附屬公司之董事。他在紐西蘭威靈頓維多利亞大學取得商管學學士學位，主修會計。他是馬來西亞會計師公會之特許會計師及紐西蘭特許會計師公會之特許會計師。他是一名專業會計師，在馬來西亞擁有超過40年之豐富工作經驗。在他的專業範疇中，他曾於數間經營製造業、貿易及零售業之外資跨國公司出任財務主管及財務總監，其後晉身商界，出任私人公司及上市公司之商業諮詢顧問及財務顧問，他擁有於傳媒行業累積超過15年之專業財務知識及商業觸覺。

Profile of Board of Directors

Mr YU Hon To, David
Independent Non-executive Director
Chinese, male, aged 72

Mr YU Hon To, David was appointed as an independent non-executive director of the Company on 30 March 1999. He is the Chairman of the Audit Committee and a member of the Remuneration Committee and Nomination Committee of the Company. He is a director of Ming Pao Holdings Limited, a wholly-owned subsidiary of the Company. He is also an independent non-executive director of One Media, a subsidiary of the Company which has been listed on the main board of the HK Stock Exchange since October 2005. Mr YU is a Fellow of the Institute of Chartered Accountants in England and Wales and an Associate of the Hong Kong Institute of Certified Public Accountants. He was formerly a partner of an international accounting firm with extensive experience in corporate finance, auditing and corporate management.

Mr YU is an independent non-executive director of China Renewable Energy Investment Limited, China Resources Gas Group Limited, Haier Electronics Group Co., Limited, Keck Seng Investments (Hong Kong) Limited, MS Group Holdings Limited, New Century Asset Management Limited (the manager of New Century Real Estate Investment Trust which is listed on the HK Stock Exchange), and Playmates Holdings Limited, which are listed companies in Hong Kong. In the past three years preceding 31 March 2020, Mr YU had been an independent non-executive director of Synergis Holdings Limited.

俞漢度先生
獨立非執行董事
中國公民，男性，72歲

俞漢度先生於1999年3月30日獲委任為本公司獨立非執行董事。他是本公司的審核委員會主席，以及薪酬委員會及提名委員會成員。他是本公司全資附屬公司明報集團有限公司的董事。他也是自2005年10月起於香港聯交所主板上市之本公司附屬公司萬華媒體的獨立非執行董事。俞先生為英格蘭及威爾斯特許會計師公會資深會員及香港會計師公會會員。他是一間國際會計師事務所的前合夥人，擁有豐富的企業融資、審核及企業管理經驗。

俞先生是中國再生能源投資有限公司、華潤燃氣控股有限公司、海爾電器集團有限公司、激成投資(香港)有限公司、萬成集團股份有限公司、開元產業投資信託基金(於香港聯交所上市)之管理人 — 開元資產管理有限公司及彩星集團有限公司的獨立非執行董事，該等公司為香港上市公司。於2020年3月31日止前三年期間，俞先生曾任昇捷控股有限公司之獨立非執行董事。

Datuk Chong Kee Yuon
Independent Non-executive Director
Malaysian, male, aged 54

Datuk CHONG Kee Yuon was appointed as an independent non-executive director of the Company on 1 April 2016. He is the Chairman of the Remuneration Committee and a member of the Audit Committee and Nomination Committee of the Company. He graduated from the University of Wisconsin, Madison in the United States in 1989 with a Bachelor of Business Administration Degree. Datuk CHONG has over 25 years of experience in the field of education and corporate training. He is the managing director of Erican Education Group, an education provider engaging in tertiary education, early education, language training and corporate training. He is also the president of Branding Association of Malaysia.

拿督張啟揚
獨立非執行董事
馬來西亞公民，男性，54歲

拿督張啟揚於2016年4月1日獲委任為本公司獨立非執行董事。他是本公司薪酬委員會主席，以及審核委員會及提名委員會成員。他於1989年畢業於美國威斯康辛大學麥迪遜分校，持有工商管理學位。拿督張啟揚擁有逾25年教育及企業培訓之經驗。他是Erican Education Group的董事總經理。該教育機構從事高等教育、早期教育、語言培訓及企業培訓等業務。他也是馬來西亞品牌協會會長。

Profile of Board of Directors

Mr KHOO Kar Khoon
Independent Non-executive Director
Malaysian, male, aged 55

Mr KHOO Kar Khoon was appointed as an independent non-executive director of the Company on 23 June 2016. He is the Chairman of the Nomination Committee and a member of the Audit Committee and Remuneration Committee of the Company. He has extensive experience in the media and advertising industry and is an Associate Member of the Chartered Institute of Management Accountants, United Kingdom. Mr KHOO started his career with Coopers & Lybrand in 1990 after graduation. He built his career in the advertising industry and joined Bates Advertising during 1991 to 1995, holding the position of Cost Accountant. He was one of the key founders of Zenith Media, which was established in 1995 and is the first and one of the largest media specialists in Malaysia, principally engages in providing advertising and marketing services in Malaysia. Mr KHOO then joined Nestle Products Sdn Bhd in 2000 as Media Manager. During 2009 and up to June 2016, he was promoted and acted as the Communications Director of the company. In January 2020, Mr KHOO has been appointed the Senior Advisor (Branding & Marketing) to Ekuiti Nasional Berhad (Ekuinas) — a private equity company owned by the Government of Malaysia.

Mr KHOO is a veteran and active player in the advertising scene in Malaysia where he was also the President and Advisor to the Malaysian Advertisers Association (MAA), Executive Member of Asian Federation of Advertising Association (AFAA), Board of Advisor to School of Marketing, University Utara Malaysia (UUM), Board Member of Audit Bureau of Circulation (ABC) and Board Member of Communication and Multimedia Content Forum (CMCF) in Malaysia.

Notes:

Conflict of interest
Save for Dato' Sri Dr TIONG Ik King, Ms TIONG Choon and Mr TIONG Kiew Chiong, who are related parties in some related party transactions with the Group, the details of which are set out in the circular dated 27 July 2020 and on pages 64 to 66 of this Annual Report, none of the other directors has any conflict of interest with the Company.

Conviction of offences
None of the above directors has been convicted of any offences (other than traffic offences) within the past 5 years and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the current financial year.

Family relationship
Save as disclosed, none of the other directors has any family relationship with any director and/or major shareholders of the Company.

Record of attendance
Record of attendance of directors for board meetings during the financial year ended 31 March 2020 is set out on page 48.

邱甲坤先生
獨立非執行董事
馬來西亞公民，男性，55歲

邱甲坤先生於2016年6月23日獲委任為本公司獨立非執行董事。他是本公司提名委員會主席，以及審核委員會及薪酬委員會成員。他在媒體及廣告行業擁有豐富經驗，並為英國特許管理會計師公會會員。邱先生畢業後，於1990年在Coopers & Lybrand開始其事業。於1991年至1995年間，他於廣告行業發展，加入Bates Advertising出任成本會計師。他為Zenith Media主要創辦人之一。該公司於1995年成立，為馬來西亞首間及其中一間大型媒體專業公司，主要於馬來西亞從事提供廣告及市場推廣服務。邱先生其後於2000年加入Nestle Products Sdn Bhd出任媒體經理，並於2009年晉升為傳訊總監，直至2016年6月。於2020年1月，邱先生被委任為一間由馬來西亞政府擁有的私人公司Ekuiti Nasional Berhad (Ekuinas) 之高級顧問(品牌及市場營銷)。

邱先生為馬來西亞廣告行業資深人士，活躍於業界。他亦曾任馬來西亞廣告商協會(MAA)會長及顧問、亞洲廣告協會聯盟(AFAA)執行委員、馬來西亞北方大學(UUM)市場學院顧問委員會成員、馬來西亞出版銷數公證會(ABC)董事會成員以及馬來西亞通訊與多媒體內容論壇(CMCF)董事會成員。

附註：

利益衝突
除拿督斯里張翼卿醫生、張聰女士及張裘昌先生(彼等均為本集團若干關連方交易中之關連方，有關詳情載於2020年7月27日刊發之通函及本年報第64至66頁)外，概無其他董事與本公司有任何利益衝突。

犯罪紀錄
除交通違規外，概無任何上述董事於過去五年內有任何犯罪紀錄或於本財政年度內被有關監管機構施加任何處罰。

家族成員關係
除所披露者外，概無其他董事與本公司任何董事及／或主要股東有任何家族關係。

會議出席記錄
董事於截至2020年3月31日止財政年度之董事會會議出席記錄載於第48頁。

Profile of Senior Management

Mr WONG Khang Yen

Malaysian, male, aged 52

Mr WONG Khang Yen joined the Group in 1992. He is an executive director of Sin Chew and the Group Chief Executive Officer of both Sin Chew and Guang-Ming Ribao Sdn Bhd. He is a member of the Group Executive Committee and the Malaysian Executive Committee since 1 June 2018.

Mr WONG graduated with a Bachelor of Communications (Hons) Degree from University of Science Malaysia in 1992. He started his career in Sin Chew and became a senior manager in 1997 and the General Manager in 2006. He assumed the post of Group Marketing Director in 2010 and a year later became an executive director of Sin Chew. He currently oversees the sales and marketing operations, as well as leading the business expansion and diversification of Sin Chew Group.

Mr LIEW Sam Ngan

Malaysian, male, aged 62

Mr LIEW Sam Ngan joined Nanyang in 1994. He is an executive director of Nanyang and its subsidiaries, and is currently the Group Chief Executive Officer of Nanyang. He has been a member of the Malaysian Executive Committee since 1 February 2013 and is also a member of the Group Executive Committee.

He is a Chartered Accountant by profession, a member of the Malaysian Institute of Accountants and a Fellow of the Association of Chartered Certified Accountants, United Kingdom. He started his career in one of the major public accounting firms after graduation in 1983. He joined the media industry in 1987 and has since then gained extensive working experience in the media industry. He had worked in New Strait Times Press, Life Publishers and Nanyang. Prior to taking up operating role in *China Press* in 2001, he was the Group Financial Controller of Nanyang.

黃康元先生

馬來西亞公民，男性，52歲

黃康元先生於1992年加入本集團。他是星洲媒體的執行董事及星洲媒體和光明日報私人有限公司之首席執行員。他自2018年6月1日成為集團行政委員會及馬來西亞行政委員會成員。

黃先生於1992年畢業於馬來西亞理科大學，獲頒傳媒(榮譽)學士學位。他於星洲媒體展開其職業生涯，並於1997年出任高級經理及於2006年擔任總經理。他於2010年擔任集團市場總監一職，一年後成為星洲媒體的執行董事。他目前負責監督銷售及市場營銷業務，並帶領星洲媒體集團的業務拓展及多元化發展。

廖深仁先生

馬來西亞公民，男性，62歲

廖深仁先生於1994年加入南洋報業。他為南洋報業及其附屬公司之執行董事，現任南洋報業之集團總執行長。他自2013年2月1日起為馬來西亞行政委員會成員，也是集團行政委員會成員。

他是一名專業特許會計師、馬來西亞會計師公會會員及英國特許公認會計師公會之資深會員。他於1983年畢業後加入其中一間主要公眾會計師事務所展開工作生涯。他於1987年加入媒體行業，自此於媒體行業取得豐富經驗。他曾任職於New Strait Times Press、生活出版社及南洋報業。他於2001年在*《中國報》*擔任營運角色前，曾任南洋報業之集團財務主管。

Profile of Senior Management

Mr LEUNG Heung Nam

Chinese, male, aged 62

Mr LEUNG Heung Nam joined the Group in 1990 and had worked in various positions within the Editorial Department of *Ming Pao Daily News*. He left his position as Executive Chief Editor in 2005. In 2008, Mr LEUNG re-joined the Group as the News Manager of mingpao.com until 2012. Mr LEUNG re-joined the Group again in 2016. He took over the Editor-In-Chief role of *Ming Pao Daily News* and became a member of the Hong Kong Executive Committee on 1 January 2017. He is currently the Editorial Director of *Ming Pao Daily News* and a director of Ming Pao Newspapers Limited. Mr LEUNG is a veteran media professional. He had worked for various newspapers and the news department of a television station.

梁享南先生

中國公民，男性，62歲

梁享南先生於1990年加入本集團，曾在*《明報》*編輯部不同崗位工作，2005年離職時出任執行總編輯。2008年，梁先生重返本集團，出任mingpao.com的新聞經理至2012年。梁先生於2016年再度返回本集團，2017年1月1日接任*《明報》*總編輯職務及兼任香港行政委員會成員。現任*《明報》*編務總監及明報報業有限公司董事。梁先生是資深傳媒人，曾在多份報章和電視台新聞部工作。

Mr CHAN Kam Keung

Chinese, male, aged 54

Mr CHAN Kam Keung joined the Group in 1992 and had worked in various positions within the Editorial Department of *Ming Pao Daily News*. Mr CHAN is the current Editor-In-Chief of *Ming Pao Daily News*. He has been a member of the Hong Kong Executive Committee since 1 July 2019. Mr CHAN is a veteran media professional and has nearly 30 years of experience in journalism and publishing. He had worked in Wan Li Book Company Limited and *Hong Kong Commercial Daily*. He has been an executive committee member of the Hong Kong Press Council since 2000s.

陳錦強先生

中國公民，男性，54歲

陳錦強先生於1992年加入本集團，曾在*《明報》*編輯部不同崗位工作。現任*《明報》*總編輯。他自2019年7月1日成為香港行政委員會成員。陳先生是資深傳媒人，擁有近30年新聞及出版工作經驗，曾先後在萬里機構出版有限公司及*《香港商報》*任職。他從2000年代起擔任香港報業評議會執行委員。

Mr KAM Woon Ting, Keith

Chinese, male, aged 63

Mr KAM Woon Ting, Keith joined the Group in 1995. He is a director of Ming Pao Newspapers Limited and has been a member of the Hong Kong Executive Committee since 13 March 2001. Mr KAM has been in the advertising and media industry since 1976. Prior to joining the Group, he had held senior positions in various leading international advertising companies and a newspaper company. Mr KAM has extensive managerial experience in publishing, management, operation, business and distribution development of printed media products. He has been the Chairman of The Newspaper Society of Hong Kong since 2007.

甘煥騰先生

中國公民，男性，63歲

甘煥騰先生於1995年加入本集團。他是明報報業有限公司之董事。他自2001年3月13日成為香港行政委員會成員。甘先生自1976年起已從事廣告及傳媒工作。加入本集團前，他曾在多間國際知名的廣告公司及報業公司擔任高層管理職位。甘先生於印刷媒體產品出版、管理、營運、業務及發行推廣均擁有豐富管理經驗。他自2007年起一直擔任香港報業公會主席。

Profile of Senior Management

Mr LAM Pak Cheong

Chinese, male, aged 51

Mr LAM Pak Cheong joined the Group in 2000. He currently is the Company's Head of Finance and has been a member of the Hong Kong Executive Committee since 30 April 2008. He is also the Chief Executive Officer, Editorial Director and an executive director of One Media. Mr LAM has extensive experience in corporate development, media operations, mergers and acquisitions and corporate governance. He is an Associate of the Hong Kong Institute of Chartered Secretaries and the Institute of Chartered Secretaries and Administrators. Mr LAM obtained his Master of Business Administration in Financial Services jointly from the University of Manchester and the University of Wales, Bangor in the United Kingdom and Master of Corporate Governance from the Hong Kong Polytechnic University.

林栢昌先生

中國公民，男性，51歲

林栢昌先生於2000年加入本集團。他現為本公司之財務總裁及自2008年4月30日成為香港行政委員會成員。他亦是萬華媒體之行政總裁、編務總監及執行董事。林先生在企業發展、媒體業務、合併收購及企業管治方面擁有豐富經驗。他是香港特許秘書公會以及英國特許秘書及行政人員公會會員。林先生獲英國曼徹斯特大學及威爾斯大學(班戈)聯合頒授財務服務學工商管理碩士學位，以及香港理工大學頒授公司管治碩士學位。

Ms TIONG Yijia

Singaporean, female, aged 35

Ms TIONG Yijia joined the Group in 2011. She is the Chief Strategy Officer of Ming Pao Newspapers Limited and a director of Ming Pao Holdings Limited and WAW Creation Limited (formerly named as MCIL Digital Limited). She was appointed as a member of the Hong Kong Executive Committee on 1 January 2020. Ms TIONG has extensive experience in business development, media operations, sales and marketing and corporate management. Ms TIONG graduated from the University of Melbourne, Australia, with a Bachelor Degree in Commerce (Economics and Management) and a Bachelor of Arts (Art History and Politics) Degree.

張怡嘉小姐

新加坡公民，女性，35歲

張怡嘉小姐於2011年加入本集團。她現為明報報業有限公司之首席策略總監、明報集團有限公司和WAW Creation Limited(前身世華數碼有限公司)之董事。她自2020年1月1日成為香港行政委員會成員。張小姐在業務拓展、媒體業務、銷售及市場推廣及企業管理等方面擁有豐富經驗。張小姐畢業於澳洲墨爾本大學，持有商業學學士(經濟及管理)學位及文學士(藝術史及政治)學位。

Notes:

Conflict of interest

Save as disclosed, none of the above Senior Management members has any conflict of interest with the Company.

Conviction of offences

None of the above Senior Management members has been convicted of any offences (other than traffic offences) within the past 5 years and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the current financial year.

Family relationship

Save as disclosed, none of the above Senior Management members has any family relationship with any director and/or major shareholder of the Company.

附註：

利益衝突

除所披露者外，概無任何上述之高級管理層成員與本公司有任何利益衝突。

犯罪紀錄

除交通違規外，概無任何上述之高級管理層成員於過去五年內有任何犯罪紀錄或於本財政年度內被有關監管機構施加任何處罰。

家族成員關係

除所披露者外，概無任何上述之高級管理層成員與本公司任何董事及／或主要股東有任何家族關係。

Chairman's Statement

Dear Shareholders,

2019/2020 was undoubtedly a challenging year for the Group as its financial performance was impacted greatly by adverse economic conditions in the key markets in which the Group operates.

Hong Kong's economy for the first half of 2019 had been weakened by the trade war between China and the USA, the situation was further dampened by the social unrest which started in June 2019 and lasted till December 2019.

Then came the unprecedented COVID-19 pandemic which has brought the world to a standstill since January this year, with many countries closing their borders and implementing lockdowns to control the spread of the virus. These measures have sent the world economy spiralling down, with business closures and rising unemployment.

The Movement Control Order implemented in Malaysia since 18 March 2020 has severely disrupted our business operations by impeding our ability to deliver products and services to our customers. Our advertising and events revenues in Malaysia have also plummeted as a result of widespread business closures and the social distancing measures.

The tourism industry is one of the hardest hit by the COVID-19 outbreak, as countries imposed travel restrictions and lockdowns which brought the industry to a complete halt. Our travel business has been inevitably affected by this unprecedented pandemic and has had all its tour bookings cancelled since the lockdown began in March 2020.

FINANCIAL RESULTS

The Group's turnover for 2019/2020 fell by US$46.3 million or 16.2% to US$239.2 million as its operations were impacted by the volatile business environment and the virus pandemic.

The Group delivered a profit before income tax of US$9,283,000 for the year ended 31 March 2020, as against last year's loss before income tax of US$6,537,000. However, excluding the provisions for impairment of goodwill and certain plant and machinery totaling US$17,977,000 made in last year, current year's profit before income tax would have been 18.0% below last year's result. This weaker performance was mainly attributed to the decline in turnover from all the Group's business segments, partially cushioned by cost savings.

Earnings per share was US0.42 cents per share for the year ended 31 March 2020.

As of 31 March 2020, the Group's net assets stood at US$162,153,000 which was 3.3% lower than the previous year's US$167,759,000. The Group's net gearing ratio was zero as at 31 March 2020.

Chairman's Statement

CONTENT REMAINS KING

We are operating in unprecedented and uncertain times.

There are serious causes for concern that media business models are collapsing as the global economic shutdown has severely reduced the advertising spending that both print and digital media depend on. Many newspapers around the world have stopped printing or transformed to a digital-only operation that is just as vulnerable to the whims of advertisers.

The COVID-19 pandemic has put the Group in the unusual position of having the audiences that we have always targeted, but without the revenue from the advertisers who scaled back their advertising budgets.

At times of crisis, fake news and misinformation tend to flood the social media. More and more people have come to realise that they need high-quality and factual information to navigate the crisis. As such, this is the time to focus and grow our core audience, when readers are most in need of reliable information.

The Group's newspaper titles and news websites have been vigorously publishing fact-checked articles, opinion pieces, in-depth analytical reports and short video capsules since the COVID-19 crisis began. Through these efforts, we are seeing growth in our audience reach and exposure.

The COVID-19 has caused readers to focus very intently on local news and information, and because of the social distancing measures, more people stay indoors. This leads to a change in media consumption habits, with surges in online news and content consumption.

The Chinese community in Malaysia is turning to our websites and apps for reliable and up-to-date information on the pandemic. April 2020 represented a full month of impact from the lockdown and saw the views of the Malaysian Operations' websites and apps grow to more than 518 million for its coronavirus stories and videos, up 46% as compared to the same month last year. This will provide strong foundations for future progress.

We will continue to stay ahead of what our audience wants, and disseminate critical information to keep people safe and informed as daily life adapts to lockdown and lengthy quarantine.

Our journalists have withstood tear gas, petrol bombs, dangerous confrontations and exposure to deadly diseases to create quality, independent and trusted journalism that readers value.

LOOKING AHEAD

Besides affecting people's health, COVID-19 has significant impacts on the economy and business environment. With the global economy expected to remain in contractionary state in the first half of 2020, it will be an extremely tough business environment for the Group in the coming months. Our Group will have to adapt to survive the onslaught of the invisible enemy and be ready to operate amidst such challenging conditions.

In order to prepare for the inevitability of a different working world post COVID-19, the Group will monitor and assess the economic conditions and business impact and respond accordingly.

To leverage on the growth of online media consumption, our strategy remains to grow our digital audiences whilst protecting our core business revenue and profit.

Chairman's Statement

The Group will review its strategies and operations to adapt to the new economic ecosystem created by the pandemic where the way people consume information and make purchase decisions will be impacted by the changes in their current lifestyle. The Group will also review the way it operates to integrate "social distancing" to ensure its employees and customers stay safe.

Meanwhile, we are actively taking measures to reduce costs and manage our cash flows to ensure the sustainability of our businesses during the COVID-19 crisis and beyond. The stimulus packages introduced by the Malaysian, Hong Kong and Canadian governments to help ease the burden of individuals and businesses will be of some relief to our businesses.

CORPORATE GOVERNANCE & SUSTAINABILITY

The Board is committed to practising high standards of corporate governance and integrating sustainability measures into its strategy and operations throughout the Group. Details of the Group's corporate governance initiatives, risk management, internal control policies and sustainability efforts are set out in the relevant sections of this Annual Report.

DIVIDENDS

The Board has declared an interim dividend in lieu of final dividend of US0.10 cents per ordinary share payable on 30 July 2020. Together with the first interim dividend of US0.16 cents paid on 30 December 2019, the Group had declared a total of US0.26 cents per ordinary share for the financial year 2019/2020. This represents a dividend pay-out ratio of about 62.2% of the profit attributable to owners of the Company and a dividend yield of 6.6% based on the Company's closing share price on 31 March 2020.

APPRECIATION

As the world grapples with the chaos and disruption caused by the COVID-19 pandemic, not only to our daily lives but also to the world economy, our Group too suffers from the adverse impact of the struggling economies in the countries where we operate.

Hence, I wish to express my sincere gratitude and appreciation on behalf of the Group to our shareholders, readers, viewers, advertisers, business partners, and other stakeholders who have continued to show their support and trust in the Group during these difficult times.

I also wish to thank our management and staff for their dedication and contribution in helping our Group steer through these challenging times.

Lastly, on behalf of the Group, I wish to thank all our "healthcare heroes" and frontliners who have dedicated themselves to help fight the invisible enemy, COVID-19. These "healthcare heroes" have shown tireless commitment and have put their lives on the line in the ongoing fight against COVID-19. We salute their commitment and courage. We urge the public to stand together and support them in their fight in order to win the battle against this invisible enemy.

Dato' Sri Dr TIONG Ik King
Non-executive Chairman

24 June 2020

FINANCIAL HIGHLIGHTS

	Year ended 31 March		
	2020	2019	
	(US$'000)	(US$'000)	% Change
Turnover	**239,217**	285,560	-16.2%
Profit before income tax and provisions for impairment of goodwill and property, plant and equipment	**9,383**	11,440	-18.0%
Provision for impairment of goodwill	**–**	(15,227)	100.0%
Provision for impairment of property, plant and equipment	**(100)**	(2,750)	96.4%
Profit/(loss) before income tax	**9,283**	(6,537)	242.0%
Profit/(loss) for the year	**6,119**	(11,716)	152.2%
Profit/(loss) attributable to owners of the Company	**7,055**	(11,293)	162.5%
EBITDA	**16,586**	4,595	261.0%
Basic earnings/(loss) per share (US cents)	**0.42**	(0.67)	162.7%

OVERALL REVIEW OF OPERATIONS

For the year ended 31 March 2020, the Group recorded a turnover of US$239,217,000, a decrease of 16.2% from US$285,560,000 in the previous year. Turnover for the Group's publishing and printing segment fell 16.9% to US$161,256,000 from US$193,957,000 in the last year. Meanwhile, turnover for the travel segment was US$77,961,000, a decrease of 14.9% when compared to the previous year.

The Group reported a profit before income tax of US$9,283,000 for the current year as opposed to a loss before income tax of US$6,537,000 in the previous year. Last year's result included certain provisions for impairment of goodwill and plant and machinery totaling US$17,977,000, excluding which, current year's profit before income tax would have been 18.0% below last year's. This decline in performance was mainly attributed to the decrease in turnover from all segments, partially cushioned by cost savings.

During the year ended 31 March 2020, both the Malaysian Ringgit ("RM") and the Canadian dollar ("C$") weakened against the US dollar, resulted in negative currency impacts of approximately US$2,588,000 and US$129,000 on the Group's turnover and profit before income tax for the year respectively.

Basic earnings per share for the year ended 31 March 2020 was US0.42 cents, compared with a basic loss per share of US0.67 cents in the previous year. As at 31 March 2020, the Group's cash and cash equivalents and short-term bank deposits totaled US$73,882,000 and the Group's net assets per share attributable to owners of the Company was US9.61 cents.

Management Discussion and Analysis

Publishing and printing

Malaysia and other Southeast Asian Countries

During the year ended 31 March 2020, the Malaysian economy experienced persistent weak consumer sentiment and trade activities, political drama, and climbing unemployment rate which rose to 3.9% in March 2020 from 3.4% a year ago. The situation was further impacted by the COVID-19 pandemic and the enforcement of the Movement Control Order ("MCO") since 18 March 2020.

Amid the gloomy economic conditions, the Group's operations in Malaysia recorded a turnover of US$106,294,000 for the year ended 31 March 2020, down 18.2% from US$129,906,000 a year ago. The segment recorded a profit before income tax of US$12,447,000 as against a loss before income tax of US$2,215,000 in the previous year. Last year's result included certain provisions for impairment of goodwill and plant and machinery totaling US$17,977,000. Current year's profit before income tax would have been 21.0% below last year's if the provisions were excluded.

The Group is the leading Chinese media group in Malaysia with 4 major daily newspapers and a suite of magazine titles. *Sin Chew Daily*, the flagship publication, has launched its "Digital First" campaign along with the implementation of a new editorial system, a brand new online portal and mobile app.

The Group continuously works on improving its digital platforms and enhancing its digital publications. The success of the Group's digital transformation effort was evidenced by the spike in its digital platforms' viewership during the MCO period.

To drive revenue, the Group had organised prestigious events such as the "Sin Chew Business Excellence Award", "Sin Chew Health and Wellness Award" and "Nanyang Golden Eagle Award" which recognised the achievement and contributions of the Group's outstanding business partners besides bringing their brands closer to the consumers.

At the same time, the Group constantly looks for cost optimisation initiatives to minimise the impact of declined sales volume on its operating results.

Hong Kong and Taiwan

In June 2019, Hong Kong was hit by continuous protests which lasted until December 2019. The unprecedented lengthy social unrest not only caused disruption to the city's transportation system but also forced many businesses to shutter and consumer spending to slow down considerably. Such turmoil led to Hong Kong's GDP contracting by 1.2% in 2019, its first annual decline in a decade. The COVID-19 outbreak in January 2020 further compounded the decline in the economic performance of Hong Kong. For the first quarter of 2020, the city's GDP registered an 8.9% year-on-year drop while its retail sales fell by 37%.

Amidst such a bleak economic environment, the Group's operations in Hong Kong and Taiwan recorded a total turnover of US$44,198,000 for the year in review, which reflected a decline of 12.7% when compared to the US$50,654,000 a year ago. Driven by the decline in revenue, the segment's loss before income tax widened by 55.4% to US$5,275,000 from last year's US$3,394,000.

Ming Pao Daily News, a renowned independent paper, has many readers followed its coverage of the protests and the commentaries it published on both its print and digital platforms during the protests. *Ming Pao Daily News* has also participated in various social and community-based projects funded by the government including the "Young Writers Training Programme" organised by the Standing Committee on Language Education and Research and the "Supporting Mothers' Breastfeeding Journey" Secondary School Short Video Competition held by The Department of Health.

One Media Group, the Group's listed subsidiary providing Chinese language lifestyle publications in Hong Kong and Taiwan, reported a turnover of US$8,972,000 for the year ended 31 March 2020, a decline of 29.0% when compared to the previous year. One Media Group's business has been also adversely affected by the continuous social unrest in Hong Kong since June 2019 which disrupted the retail business, especially for the luxury products, and discouraged tourism. Due to the bleak economic environment of Hong Kong, One Media Group experienced a widening of its loss before income tax to US$3,417,000 for the year in review from US$1,517,000 reported in last year.

North America

The turnover for the Group's publishing and printing operations in North America amounted to US$10,764,000 which was a 19.7% decrease from last year's US$13,397,000. The Group's business in this segment was negatively impacted by Canada's slowing economy and competition from other digital media. The COVID-19 outbreak further compounded the economic difficulties in the region. Nevertheless, this segment managed to reduce its loss before income tax to US$518,000 from US$2,267,000 in the previous year. This improvement was mainly due to cost savings from manpower and production rationalisation as well as the receipt of a grant from the local government.

Travel and travel related services

The travel segment reported a turnover of US$77,961,000 as opposed to US$91,603,000 recorded in the previous year. This 14.9% decline in turnover resulted in the segment's profit before income tax falling 25.8% year-on-year to US$3,397,000 from last year's US$4,579,000. The protests in Hong Kong have dampened people's travel desire, and the situation was made worse by the COVID-19 pandemic which brought the world to a standstill. With lockdowns and travel restrictions in place in many countries since mid-February 2020, the travel industry is facing an unprecedented challenge as the spread of the coronavirus continued.

Digital business

The Group continued to leverage on its ability to drive cross platform advertising solutions that combine the strength of its print and digital products. This has led the Group to focus on producing self curated videos which weaves the advertisers' products into its original story lines and the products can be further enhanced through its print publications. These efforts are intensified in the Group's digital businesses in both Malaysia and Hong Kong. Despite the weak business conditions in its core markets, the Group managed to report a slight increase in its digital business revenue for the year ended 31 March 2020.

As people practise social distancing amid the COVID-19 pandemic, the Group has embarked on organising virtual exhibitions and online events. *Ming Pao Daily News* successfully held a virtual "Overseas Education Fair" in March 2020 which attracted participation from international education institutions. Investment webinars were organised in April and May 2020 with participants from the United States of America, Canada, Singapore, Malaysia and the Mainland China. *Ming Pao Daily News* has also produced sponsored Facebook live videos in which doctors were invited to give advice on various health issues and preventive measures against the coronavirus disease. Furthermore, as online shopping has become increasingly popular, the Group has rolled out an e-commerce platform "PowerUp" in March 2020 to explore business opportunities in this new territory.

OUTLOOK

With the world brought down to its knees by the COVID-19 pandemic and many countries imposing lockdown or movement control restrictions, the global economy is facing and will continue to experience contraction until the pandemic comes under control and the confinement measures gradually uplifted. Despite the COVID-19 stimulus packages introduced by governments around the world including Malaysia and Hong Kong, consumer demand remains weak whilst businesses globally struggle to stay afloat. With this backdrop, the Group expects the coming financial year to be extremely challenging.

With most parts of the world experiencing lockdown in various degrees to curb the spread of COVID-19, digital platforms have become the tool for many to work from home, to communicate with each other or for governments to dispense information to their citizens. The Group hopes to adapt to this "new normal" in order to grow its market share and revenue from the digital platforms.

For the travel segment, which is one of the hardest hit businesses, the Group expects the year ahead to be challenging as travel will be greatly reduced due to the pandemic until a cure or a vaccine is found. Efforts have been taken to streamline the tour operations and ensure that the operations will have the resources necessary to get through the pandemic and restart operations once international travel resumes.

Meanwhile, the Group will continue to exercise prudent cost controls across all business units and intensify its efforts to further strengthen operational efficiency and effectiveness. Furthermore, the Group will work continuously adapting its operations in all regions to meet the crippling effects brought about by this pandemic.

Major Awards of the Year — Hong Kong

(Ming Pao Daily News)

HONG KONG NEWS AWARDS 2019

— The Newspaper Society of Hong Kong

Winner

Best Photograph (News)

1st Runner-up

Best News Reporting

Best Photograph (Features)
Best News Page Design (Single Page)

2nd Runner-up

Best News Reporting
Best Photograph (Features)
Best Science News Reporting

Merit

Best News Reporting
Best News Writing (Chinese) (2 merits)
Best Photograph (News)

"FOCUS AT THE FRONTLINE 2018" PHOTO CONTEST

— Hong Kong Press Photographers Association

Winner

General News

Spot News

1st Runner-up

Feature

General News
Nature and Environment

2nd Runner-up

Photo Essay

Honorable Mention

Feature
Portraits (2 merits)

Major Awards of the Year — Hong Kong

(Ming Pao Daily News)

THE 19TH CONSUMER RIGHTS REPORTING AWARDS 2019

— Consumer Council, Hong Kong Journalists Association and Hong Kong Press Photographers Association

Gold Award

Text (Investigation)

THE 9TH CHINESE UNIVERSITY JOURNALISM AWARD

— School of Journalism and Communication Alumni Association, The Chinese University of Hong Kong

Gold Award

Best Text & Print News Feature
Best Text & Print News Reporting


明報

鄭若驊獨立屋疑有僭建地庫

TAIWAN PRESS PHOTO CONTEST 2020

— Taiwan Press Photographer Association

The Second Prize

Portrait

The Third Prize

Natural Environment & Science

Merit

General News

THE 4TH BUSINESS JOURNALISM AWARDS OF THE HANG SENG UNIVERSITY OF HONG KONG

— The Hang Seng University of Hong Kong

Silver Award

Best Business News Series Reporting (Text)


水署億元工程 未招標批潘樂陶公司

THE 24TH HUMAN RIGHTS PRESS AWARDS 2020

— Hong Kong Journalists Association, The Foreign Correspondents' Club of Hong Kong and Amnesty International Hong Kong

Winner

People's Choice Photo Award

Major Awards of the Year — Malaysia

(Sin Chew Group)

DATUK WONG KEE TAT JOURNALISM AWARDS 2018

— Editors' Association of Chinese Medium Malaysia

Tan Sri NG Teck Fong News Reporting Award
Excellence Prize: *Sin Chew Daily*

Tan Sri YAP Yong Seong Feature Writing Award
3 Outstanding Prizes: *Sin Chew Daily*

Dato' TAN Leong Ming News Photography Award
Outstanding Prize: *Sin Chew Daily*

Datuk WONG Kee Tat News Editing Award (News Section)
Excellence Prize: *Sin Chew Daily*
4 Outstanding Prizes: *Sin Chew Daily & Guang Ming Daily*

Datuk WONG Kee Tat News Editing Award (Feature Section)
Excellence Prize: *Sin Chew Daily*
4 Outstanding Prizes: *Sin Chew Daily*

Tan Sri LAW Tien Seng Front Page of the Year Award
Excellence Prize: *Sin Chew Daily*
2 Outstanding Prizes: *Sin Chew Daily*

Tan Sri TEONG Teck Leng Commentary Award
2 Outstanding Prizes: *Sin Chew Daily*

Dato' P.C. KOH Business News Reporting Award
2 Outstanding Prizes: *Sin Chew Daily*

Tan Sri Dato' KONG Hon Kong Sports News Reporting Award
Excellence Prize: *Sin Chew Daily*
Outstanding Prize: *Sin Chew Daily*

Dato' Sri LEE Ee Hoe Travel Reporting Award
Outstanding Prize: *Sin Chew Daily*

Dato' TAN Yew Sing Education Reporting Award
Excellence Prize: *Sin Chew Daily*
Outstanding Prize: *Sin Chew Daily*

Tan Sri TAY Kin Yan Entertainment News Reporting Award
Excellence Prize: *Sin Chew Daily*
Outstanding Prize: *Sin Chew Daily*

THE 5TH PAHANG DRB-HICOM MEDIA AWARDS 2020

— Pahang DRB-HICOM

Best Reporting Award (Chinese News Category)
Gold Award: *Sin Chew Daily*

Best Special Report Award (Chinese News Category)
Gold Award: *Sin Chew Daily*
Silver Award: *Sin Chew Daily*
Bronze Award: *Sin Chew Daily*

Major Awards of the Year — Malaysia

(Sin Chew Group)

CIDB MEDIA AWARDS 2019

— The Construction Industry Development Board Malaysia (CIDB)

Architectural Reporting Media Photography Award

Silver Award: *Sin Chew Daily*

KINABALU PRESS AWARDS 2019

— Sabah Government and the Sabah Journalists Association

Journalism Award (Feature and News Reporting)(Chinese)

Gold Prize: *Sin Chew Daily*

Excellence Prize: *Sin Chew Daily*

News Reporting Award (Chinese)

Gold Prize: *Sin Chew Daily*

Business & Economic Reporting Award (Chinese)

Gold Prize: *Sin Chew Daily*

Excellence Prize: *Sin Chew Daily*

Environmental Journalism Award (Chinese)

Gold Prize: *Sin Chew Daily*

KENYALANG JOURNALISM AWARDS 2019

— Sarawak Government, Shell Malaysia and Federation of Sarawak Journalists Association

Chief Minister Award(Chinese)

Sin Chew Daily

Special Articles Award:

Gold: *Sin Chew Daily* Silver: *Sin Chew Daily* Bronze: *Sin Chew Daily*

News Reporting Award

Gold: *Sin Chew Daily* Silver: *Sin Chew Daily* Bronze: *Sin Chew Daily*

Sports Reporting Award

Gold: *Sin Chew Daily* Silver: *Sin Chew Daily* Bronze: *Sin Chew Daily*

Community Well-being and Rural Development Journalism Award

Gold: *Sin Chew Daily* Bronze: *Sin Chew Daily*

Digital Economy Award

Gold: *Sin Chew Daily*

Business and Economic Journalism Award

Silver: *Sin Chew Daily* Bronze: *Sin Chew Daily*

Sustainability Journalism Award

Bronze: *Sin Chew Daily*

Major Awards of the Year — Malaysia

(Nanyang Group)

DATUK WONG KEE TAK JOURNALISM AWARDS 2018

— Editors' Association of Chinese Medium Malaysia















Tan Sri LEONG Hoy Kum Property Reporting Award
Excellence Prize: *Nanyang Siang Pau*
2 Outstanding Prizes: *Nanyang Siang Pau*

Tan Sri TAN Kin Yan Entertainment Reporting Award
Excellence Prize: *Nanyang Siang Pau*
Outstanding Prize: *China Press*

Tan Sri TEONG Teck Leng Commentary Award
Excellence Prize: *Nanyang Siang Pau*

Tan Sri YAP Yong Seong Feature Writing Award
Excellence Prize: *China Press*

Dato' Sri LEE Ee Hoe Travel Reporting Award
Excellence Prize: *Nanyang Siang Pau*

Tan Sri LAW Tien Seng Front Page of the Year Award
3 Outstanding Prizes: *China Press*

Datuk WONG Kee Tat News Editing Award (News Section)
Outstanding Prize: *China Press*

Dato' TAN Yew Sing Education News Reporting Award
Outstanding Prize: *Nanyang Siang Pau*

Tan Sri NG Teck Fong News Reporting Award
3 Outstanding Prizes: *Nanyang Siang Pau, China Press*

Dato' TAN Leong Ming News Photography Award
Outstanding Prize: *China Press*

Tan Sri KONG Hon Kong Sports News Reporting Award
Outstanding Prize: *China Press*

Major Awards of the Year — Malaysia

(Nanyang Group)

THE 9TH SOUTH JOHOR CHINESE PRESS CLUB MEDIA AWARDS 2019

— South Johor Chinese Press Club

Johor Bahru Chinese Chamber of Commerce and Industry Commercial News Award
First Prize: *Nanyang Siang Pau*
Second Prize: *Nanyang Siang Pau*
Third Prize: *Nanyang Siang Pau*

Johor Bahru Tiong Hua Association General News Reporting Award
First Prize: *Nanyang Siang Pau*
Second Prize: *Nanyang Siang Pau*
Third Prize: *Nanyang Siang Pau*

Dato' TAN Lian Soon Feature Writing Award
First Prize: *Nanyang Siang Pau*
Second Prize: *Nanyang Siang Pau*

Grand Straits Garden Seafood Restaurant News Photography Award
First Prize: *Nanyang Siang Pau*

MOK Chek Hou Commentary Award
First Prize: *China Press*
Third Prize: *China Press*

THE 16TH TAN SRI LIM GAIT TONG PRESS AWARDS 2019

— Penang Press Club

Tan Sri LIM Gait Tong Literature Writing Award
Excellence Award: *Nanyang Siang Pau*

Dato' KHOR Chong Boon Breaking News Award
Excellence Award: *Nanyang Siang Pau*

Dato' Wira Louis NG Chun Hau Advertorial News Award
Excellence Award: *Nanyang Siang Pau*

Significant Events — Hong Kong

MING PAO DAILY NEWS

Ming Pao Daily News and Standing Committee on Language Education and Research (SCOLAR) co-organised the "Young Writers Training Programme" which aims at enhancing students' interest in writing and reading by exposing them to various types of writing such as film reviews, food critiques and travel journals through interesting and diversified activities. For the past 7 years, the Programme has trained over 3,000 students from about 450 schools, age from primary one to secondary three.

Education and Career Expos provided students and job seekers with extensive and well-rounded information on further studies and employment. The invited experts shared their advice and experiences with the attendees.

Overseas property exhibitions provided participants with the right tools and knowledge to buy overseas properties with confidence. Renowned professionals presented market insights and investment tips as well as addressed to investors' concerns.

Significant Events — Hong Kong

MING PAO MONTHLY


"The 7th International Conference on Travel Writings in Chinese", co-organised by *Ming Pao Monthly* and United College, The Chinese University of Hong Kong and Macao Foundation, was kicked off with an opening ceremony held at the University of Macau. Around a hundred prominent writers, professors and scholars worldwide presented their papers at the Conference. The participants then joined "The 1st Tea Culture Forum" held in Shenzhen, China.

YAZHOU ZHOUKAN




More than 1,500 Chinese entrepreneurs from 40 countries worldwide attended "The 16th World Summit of Chinese Entrepreneurs" held in Macau. "The Excellence in Achievement of World Chinese Youth Entrepreneurs" winners were awarded in the ceremony to honor their entrepreneurial success and enthusiasm for public services.

MING PAO PUBLICATIONS


The theme of the 30th Hong Kong Book Fair 2019 centred on "Sci-Fi and Mystery". Ming Pao Publications invited Hong Kong eminent sci-fi writer Mr. NI Kuang to share his insights and interact with readers.

Significant Events — Malaysia

(Sin Chew Group)

SIN CHEW DAILY

The "15th Hua Zong Literature Awards" presentation ceremony concluded successfully. Award winners, guests and performers took a group photo together.

The "Four Seasons Chinese Festival — Winter Solstice Dinner" was packed. Readers and their family members enjoyed delicious meal and had a wonderful night.

Sin Chew Daily and the Chinese associations in Sibu jointly held the "Old Buddies • New Friends" student reporter camp. The campers held their name cards high and took a group photo with the organiser and guests.

The "2019 Sin Chew Business Excellence Awards" presentation ceremony was successfully held. A total of 137 awards were presented to 12 categories of enterprises.

MCIL directors together with senior management made a toast at the annual dinner, as an appreciation to all staff for their dedication and hard work throughout the year.

Dato' Sri Dr TIONG Ik King (right), MCIL Chairman, accompanied by Ms. TIONG Choon (center) , MCIL Executive Director and Mr. TIONG Kiew Chiong (left), MCIL Group CEO, launched the 90th anniversary memorial booklet *"Continue Telling the Story of Malaysia"* during the finale *Sin Chew* 90th Anniversary gala dinner in Kuala Lumpur.

GUANG MING DAILY

To raise awareness of anti-epidemic in campus, "*Guang Ming* An Xue Project 2020" joined with Georgetown Pharmacy in donating 1,200 hand sanitizers to 90 Chinese primary schools in Penang.

All staff shared their happiness during the 2019 *Guang Ming Daily* Annual Dinner.

YAYASAN SIN CHEW

The "4.5 Million Relief Fund Project", co-organised by Yayasan Sin Chew and *Sin Chew Daily*, donated funds to 148 charity organisations. Each organisation received RM30,000 to ease operational pressure.

"Bai Jia Zong, Send with Love" Dumplings Bazaar, held by Yayasan Sin Chew, received overwhelming response and support from readers. The event raised RM18,000 for the poor to enjoy a happy Dragon Boat Festival.

Significant Events — Malaysia

(Nanyang Group)

NANYANG SIANG PAU



In 2019, the 7th Golden Eagle Award themed with four major topics including the outlook of stock markets, corporate strategies, potential of blockchain development and consumer implications of mobile payment systems, which are to provide insights for businesses to weather the hardship and break new ground for success. Datuk Seri Mohd Redzuan YUSOF, former Entrepreneur Development and Cooperatives Minister, presented awards to 95 winners.


The "Top Ten Charity Concert", jointly organised by *Nanyang Siang Pau*, *China Press* and Carlsberg Malaysia, entered into its 33rd Anniversary in 2019. A total of 12 shows were successfully held to raise fund for 12 Chinese schools for school building and maintenance purposes.

YAYASAN NANYANG PRESS


Yayasan Nanyang Press (YNP) donated food and daily supplies to the first batch of 107 Malaysians and their family members returned from Wuhan, China following the COVID-19 outbreak. YNP also donated 20,000 pieces of surgical face masks to the healthcare frontliners of Hospital Serdang.

CHINA PRESS

In conjunction with Parents Day, *China Press* and YTL Communications (YES) co-organised "Parents Day Photo Competition" in the hope that everyone would cherish the moments and memories along with their family members.

China Press and 8I Holdings co-organised "Value Growth Workshop 2.0". The renowned speaker shared stock market knowledge with more than 100 participants.

China Press held "Autism Awareness Sharing Talk" to increase public's understanding about autism. Invited speaker Ms. Hazel LIM (Master in Autism and Related Conditions at Swansea University) encouraged people from all walks of life to better understand the needs of autism persons.

LIFE MAGAZINES

The 6th "Bella Better Together 2019", held by *Citta Bella*, received enthusiastic support from readers, brands and celebrities participating in the beauty workshops and gala dinner.

Feminine organised the 1st "4D Dynamic Female Entrepreneur Award 2019" to acknowledge the achievement and contribution of women entrepreneurs to the development of the country, and to encourage them to achieve success in various industries.

Feminine organised the first " Shape Up Your Total Fitness ! " event. Female readers were invited to join the run-dance-fun exercises together.

Sustainability Report

BOARD STATEMENT

The Board places importance on the need to integrate sustainability measures into the operations of the Group to ensure that the Group and its key stakeholders can thrive in the long term.

Guided by its sustainability policy, the Company strives to reduce the impact the Group's operations have on the environment by reducing the materials used for its production; conducting its business in an ethical and responsible manner; promoting the well-being of its employees; and playing its role in reaching out and making a difference to the communities it operates in.

Based on the Company's sustainability efforts, the Board is pleased to confirm that the Company remains a constituent of the FTSE4Good Index Series.

OUR SUSTAINABILITY POLICY

The 4 pillars of the Group's Sustainability Policy are as follows:

Environmental (E)	Economic (E)	Social (S)	Governance (G)
To produce our products in a more efficient and cost effective manner which will have minimal impact on the environment.	To conduct our business in a fair manner with emphasis on product quality and customer service.	To focus on talent development; promoting health and safety; encouraging diversity at the workplace; and reaching out to local communities.	To adopt practices that will support sustainable economic growth with strong governance and accountability.

With corporate sustainability as a key strategic driver, the Group monitors its strategic risks by focusing on the following areas:

- managing EESG risks in business activities
- implementing environment management in its production process
- reviewing product and service quality

ABOUT THIS REPORT AND SCOPE

This report is for the Group's financial year 2019/2020. All data and activities reported are in relation to the Group's business operations from 1 April 2019 to 31 March 2020. This report is produced in accordance with Paragraph 29, Part A of Appendix 9C of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and in accordance with the Environmental, Social and Governance Reporting Guide as set out in Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The Group is also guided by the core principles of the Global Reporting Initiative's ("GRI") Sustainability Reporting Guidelines and the environmental, social and governance factors used by FTSE4Good. The Company has used as guidance the sections in the GRI Standards which are relevant to energy, emissions, economic, employment, training and education, and diversity. There is no external assurance for this report.

This sustainability report covers the Group's printing and publishing and travel operations in Malaysia and Hong Kong as these operations represent the core business of the Group and account for about 80% of its turnover for the financial year ended 31 March 2020.

SUSTAINABILITY GOVERNANCE

The Group's sustainability matters are managed at various levels in the Group.

Board of Directors	To set the strategy and direction for sustainability management.
Group Executive Committee	To manage and monitor sustainability performance and targets, and implement improvement processes.
Senior Management in Relevant Departments	To initiate, drive and monitor the sustainability practices in their respective departments.

STAKEHOLDERS ENGAGEMENT

The Group seeks to maintain its position as a trusted mainstream media organisation which connects its readers, business partners and local communities. The Group has in place arrangements to allow it to reach out and gain feedback from all its stakeholders in order to understand their needs and viewpoints. Such feedback enables the Group to review its material sustainability matters and re-prioritise them, if necessary.

Stakeholders Engagement

Sustainability Report

The stakeholders and engagement methods are listed below:

Stakeholders	Engagement Platforms	Areas of Interest
Shareholders	• Annual general meetings • Announcements to Bursa Malaysia Securities Berhad and The Stock Exchange of Hong Kong Limited • Interim/Annual reports • Circulars and press releases • Corporate website • Analyst briefings	• Provide opportunities for shareholders to engage with management • Allow shareholders to gain a better understanding of the Group's strategy, business and operations
Employees	• Corporate events • Internal communications • Company lunches/dinners and gatherings • Trainings • Occupation Safety and Health Committee • Social activities	• Understand and align with the Company's goals, strategy and update on corporate developments • For greater employees' satisfaction, retention, productivity and work-life balance
Customers	• Meetings • Social media and websites • Events held for readers and advertisers • Customer satisfaction surveys • Networking lunches/dinners • Award ceremonies	• Understand and/or meet customer needs • Provide credible and high quality content, products and services
Suppliers and business partners	• Product presentations • Meetings	• Achieve cost efficiency • Meet or exceed quality standards
Industry peers	• Industry associations	• Share ideas to understand each other's perspective and to improve the industry
Community	• Social media • Community events • Financial and non-financial contributions/ sponsorships	• Contribute towards the well-being of the communities in which the Group operates
Regulators	• Regular communication for updates	• Comply with regulatory requirements

MATERIAL SUSTAINABILITY MATTERS

The Group continuously engages its external stakeholders to identify the Group's key EESG matters. The Group places priority on sustainability matters that have material impacts on the performance and sustainability of the Group. Internal stakeholders are also reminded to continuously review their daily operations and processes in order to identify such material sustainability matters.

By applying the above methodology, the Group had identified and prioritised the sustainability matters that were considered most material to the Group's business operations and its stakeholders and such matters are as listed below:

Sustainability Areas	Material Sustainability Matters	Corresponding GRI Framework Disclosure
Environmental	• Energy	GRI 302
	• Water and Effluents	GRI 303
	• Waste	GRI 306
	• Emissions	GRI 305
	• Materials	GRI 301
Economic	• Economic Performance	GRI 201-1
	• Procurement Practices	Non-GRI*
	• Product Responsibility	Non-GRI*
Social	• Diversity and Equal Opportunity	GRI 405
	• Training and Education	GRI 404
	• Health and Safety	Non-GRI*
	• Contribution to Community	Non-GRI*
Governance	• Governance Structure	Non-GRI*
	• Corporate Governance	Non-GRI*
	• Business Ethics	Non-GRI*

* The Group has not made reference to the relevant GRI Standards for benchmarking purpose.

United Nations Sustainability Development Goals

The Group's selection and prioritisation of material sustainability matters are also guided by the United Nations Sustainable Development Goals (UN SDGs) identified below:

3 GOOD HEALTH AND WELL-BEING

UN SDG 3 — Ensure healthy lives and promote well-being for all at all ages

5 GENDER EQUALITY

UN SDG 5 — Achieve gender equality and empower all women and girls

8 DECENT WORK AND ECONOMIC GROWTH

UN SDG 8 — Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

SUSTAINABILITY AREAS

ENVIRONMENTAL

The Group has an Environmental Policy which aims to reduce the environmental impact of its business operations through conservation of energy, and reduction of greenhouse gas emissions and waste. The Group's strategy in environmental management is to create and build awareness among its internal and external stakeholders on the importance of protecting the environment.

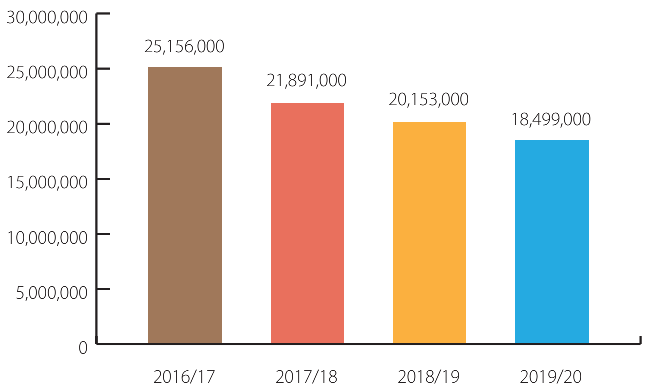
The environmental aspect includes the use of resources such as electricity and water; consumption of materials for production such as paper, plates, ink and other chemicals; and waste management which includes the disposal of hazardous and non-hazardous waste and greenhouse gas emissions.

(I) Energy

The Group uses electricity which is purchased from national electricity providers in Malaysia and Hong Kong. Most of the Group's electricity consumption comes from the production process in its printing plants. This is followed by electricity usage in its offices. With an aim to achieve a reduction in its electricity consumption, the Group inculcates the awareness of energy savings amongst its employees through measures such as reminding employees to switch off the lights and equipments when not in use. The Group constantly reviews its production processes with the intention to maximise output without increasing the use of energy resources. There are many measures including, but not limited to, reviewing layout of the print products, adjusting printing slots and exploring the possibility of further rationalisation to reduce the number of printing plants.

Through these measures, the Group reduced its electricity consumption by 8.2% year-on-year to approximately 18,499,000 kWh during the financial year ended 31 March 2020.

Electricity consumption (kWh) in Malaysia and Hong Kong for the past 4 financial years

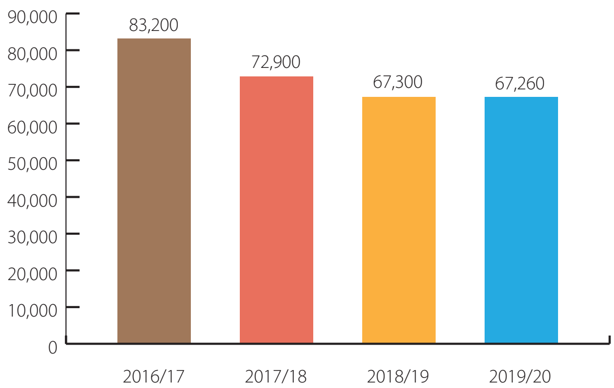


(II) Water

The Group's water usage is predominantly for its production process at its printing plants. The Group purchases water from governmental water companies in Malaysia and Hong Kong. As water is a precious resource, the Group tries to reduce its usage by measures such as installing facilities to harvest and store rainwater for cleaning purpose.

The Group's water usage for the financial year ended 31 March 2020 was approximately 67,260 m^3, which was close to the last year's usage.

Water usage (m^3) in Malaysia and Hong Kong in the past 4 financial years



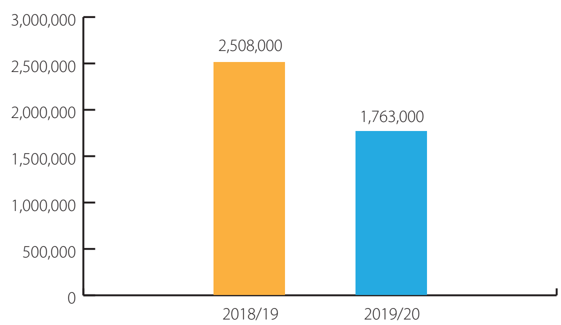
(III) Effluents and Waste

One of the aims of the Group is to minimise waste and to recycle the same where possible. This is stated clearly in its Environmental Policy. Most of the Group's waste is from its production activities. The Group has implemented waste management process where recyclable wastes are sold to recycling companies whilst hazardous wastes are disposed of by licensed contractors.

(i) Solid waste

The Group recycles its solid waste as much as possible. Waste materials such as used newsprint and plates are disposed of for recycling purposes. The Group monitors the wastage from its usage of newsprint with the aim to reduce costs as much as possible for the Group and to save the environment. Total newsprint wastage for the financial year under review amounted to approximately 1,763,000 kg which is a reduction of 29.7%, if compared to the previous year.

Newsprint wastage(kg) for Malaysia and Hong Kong in the past 2 financial years



(ii) Hazardous/scheduled waste

Hazardous or scheduled waste generated from the Group's printing operations includes items such as contaminated rags, waste ink, and chemical waste. In Malaysia, this hazardous or scheduled waste is required to be collected and disposed of by licensed contractors of the Department of Environment. Similar regulations are enforced by the Hong Kong Environmental Protection Department. To ensure the compliance with relevant regulations, all chemical waste generated from the Group's production plants is collected and disposed of by licensed collectors. The scheduled waste is also stored in separate holding areas.

(iii) Effluents treatment

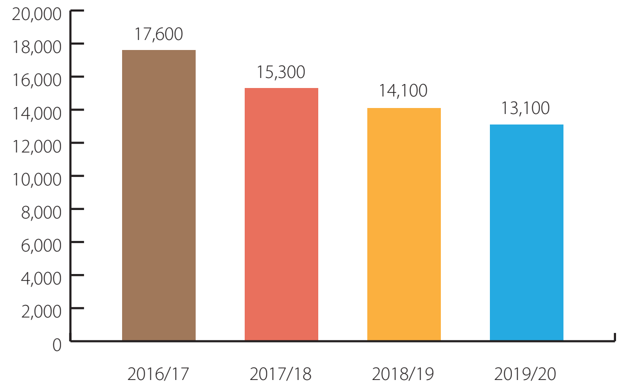
The Group has installed wastewater treatment facilities at some of its printing plants to treat certain chemical waste before it is released back into the environment. Sampling and monitoring of the discharge are performed periodically to ensure that it is safe to be discharged into the drainage system.

(IV) Emissions

One of the main objectives of the Group's Environmental Policy is to reduce greenhouse gas emissions in order to minimise the environmental impact of its operations. The Group continues to review its operations with the aim to reduce its carbon footprint.

The Group has chosen its approach to report utility data under Scope 2 (Electricity) from operations under its direct control in Malaysia and Hong Kong. Scope 2 (Electricity) is reported on below.

CO_2 emission (tonnes) in Malaysia and Hong Kong in the past 4 financial years



The Group uses the emission factor based on the 2007 report by Pusat Tenaga Malaysia titled "Study on grid connected electricity baselines" in Malaysia and "Emission Factor Electricity 2019" provided by Hong Kong Electric to identify its greenhouse gas emissions from purchased electricity.

The Group succeeded in reducing its CO_2 emission from purchased electricity in the financial year 2019/20 by 7.1% to approximately 13,100 tonnes from approximately 14,100 tonnes in the financial year 2018/19. This improvement is due to the Group's effort in reducing its usage of purchased electricity.

The Group does not report emissions from Scope 3, as it does not own any vehicle fleet. Products transportation is outsourced.

(V) Materials

Materials management is an important process for the Group as it can result in further savings. The Group's production teams constantly review the manner in which the materials are stored and used, and explore new technologies to further reduce their usage. The Group has in place processes to measure materials consumption at its printing plants to ensure that all materials are used effectively and efficiently and to track the usage of the same.

(i) Paper

Newsprint cost is one of the Group's main expenses. Hence, the Group monitors the use of newsprint closely. Most of the Group's newsprint is made of environmentally friendly recycled paper. The production teams place importance on the maintenance of the Group's printing machines to ensure that they are in good conditions to prevent multiple starts and stops as these increase start-up waste. The Group also seeks to reduce press run wastage by setting key performance indicators to monitor paper waste continuously.

The newsprint yield (calculated as the number of printed pages per kilogram of newsprint) for the Group had improved to 229 in the year under review as compared to 226 in the previous year.

(ii) Plates

The Group strives to minimise the usage of plates. To achieve this, the Group has taken measures such as storing the plates in a suitable environment and reminding its editorial teams to minimise mistakes to reduce the number of plate changes.

(iii) Ink

The Group uses environmentally friendly ink in its printing plants. It uses an ink optimisation software to achieve optimum colour with the minimal use of ink.

OBJECTIVES FOR ENVIRONMENTAL SUSTAINABILITY	PROGRESS
• Reduce usage of electricity and water	For the financial year ended 31 March 2020, the Group's electricity consumption was reduced by 8.2% year-on-year.
• Reduce CO_2 emission from consumed electricity	For the financial year ended 31 March 2020, the Group's CO_2 emission was reduced by 7.1% year-on-year.
• Reduce wastage of materials such as newsprint	For the financial year ended 31 March 2020, the Group's newsprint wastage was reduced by 29.7% year-on-year.

ECONOMIC

The Group has a policy that advocates delivery of good quality content, adoption of sound supply chain practices and ethical business practices. Such practices are advocated as they set the foundation of ethical business conduct in the Group and help build a long term, mutually beneficial relationship with its suppliers, customers and shareholders. The Group also strives for positive economic performance to ensure its sustainability and growth.

(I) Economic Performance

For the financial year ended 31 March 2020, the Group recorded turnover of US$239,217,000, while its profit after tax amounted to US$6,119,000.

The table below shows the Group's economic values generated, retained and distributed by the Group for the financial year ended 31 March 2020.

Economic Value Generated (a)	US$248,414,000
Economic Value Distributed (b)	US$246,682,000
Economic Value Retained (c)	US$1,732,000

Notes:

(a) Refers to the revenues and other income generated by the Group

(b) Refers to operating costs, employee wages, payments to providers of capital, payments to government and community investments

(c) Refers to Economic Value Generated minus Economic Value Distributed

Further details of the Group's financial performance can be found under the Management Discussion and Analysis section on pages 15 to 17 of this Annual Report.

(II) Procurement Practices

The Group has in place a procurement policy and sound procurement practices. Its procurement policy ensures an impartial and objective method of selecting and appointing suppliers for its operations. A sound procurement practice can improve the Group's financial performance as it may lead to savings by getting more competitive prices and ensures better quality of goods and services.

The selection of suppliers is based on a set of fixed criteria and this is enhanced by an annual evaluation process. The annual evaluation not only helps to review the performance of the suppliers but also ensures that the prices of their goods and services provided remain competitive.

Our Group believes in sourcing from local suppliers where possible and where procurement from overseas suppliers is required, it will be based on the suppliers' availability and capability.

For the financial year ended 31 March 2020, about 81% of the Group's total procurement were from local suppliers in Malaysia and Hong Kong totaling approximately US$98,796,000.

(III) Product Responsibility

The Group is committed to engaging its readers and endeavours to provide broad coverage of accurate and bias-free news and plays an important role in exposing fake news which is rampant lately. Editorial policies are in place to ensure responsible journalism. Its online content is trustworthy, up-to-date and accessible at all times. The Group's editorial teams, managed by the editor-in-chief of each publication, review their own publications to ensure accuracy of the information contained therein. In the rare events that any information published is inaccurate, the Group will correct the misinformation in the next available publication.

The Group adheres to the Guidelines issued by Malaysia's Association of Accredited Advertising Agents and Hong Kong's Trade Descriptions Ordinance. It is committed to ensuring the proper marketing of its products and that customers are treated fairly. It ensures that all advertisements and marketing materials published in the Group's publications meet legal and regulatory requirements, are appropriate for the target audience and accurately and fairly describe the products marketed. The Group also has customer relationship management processes in place to ensure that customers' complaints are handled in an appropriate and timely manner.

The Group ensures that its employees are aware of the need to protect customers' privacy under Malaysia's Personal Data Protection Act 2010 and Hong Kong's Personal Data (Privacy) Ordinance. It also uses security procedures and technology to protect the information held and prevent unauthorised access, unlawful disclosure and misuse of personal information within the Group.

The Group respects and protects intellectual property rights. It only uses licensed software, and employees are constantly reminded of not installing unauthorised software on office equipment such as desktop computers and laptops.

OBJECTIVES FOR ECONOMIC SUSTAINABILITY	PROGRESS
• To implement a robust procurement system	The Group has adopted a procurement policy that sets out the selection and evaluation criteria for suppliers. The Group also places importance on sourcing from local suppliers.
• To deliver content that is true and accurate	The Group has adopted new digital capabilities which upgraded its editorial workflow to make it more seamless and enable sharing of information easier.

SOCIAL

The Group believes that talented, motivated people are the key to the Group's success. As such, the Group is committed to providing a working environment that is not only rewarding and motivating, but also encouraging, safe and inclusive. The Group also believes in helping the communities it operates in.

(I) Employees

(i) Diversity and Equal Opportunity

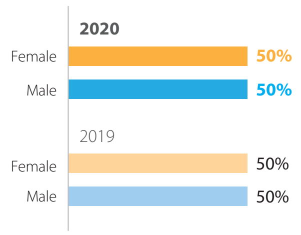
The Group is aware of the importance of workplace diversity as workforce demographics shift. Diversity, especially in a media organisation, helps promote innovation and creativity which is important to meet the constant changing demands of its readers and advertisers. Diversity also fosters innovative thinking and helps tackle business challenges through different perspectives.

The Group aims to build a workforce that comprises of employees from diverse backgrounds with a wide range of experiences, skills, and perspectives. The Group believes in recruitment without discrimination. It believes in treating all its employees fairly irrespective of gender, race, political beliefs, physical abilities or other diversity aspects. The Group ensures its human resources practices are in compliance with labour laws in Malaysia and Hong Kong.

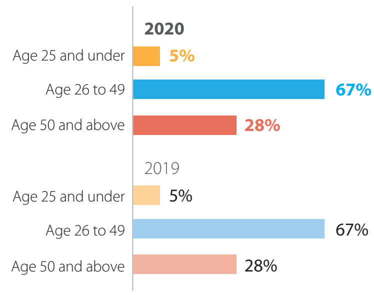
The number of employees in Malaysia and Hong Kong for the financial years ended 31 March 2020 and 2019 were 3,123 and 3,327 respectively. The drop of 6.1% in its total employees was due to natural attrition and alignment of the manpower base to the Group's business and operating needs as it seeks to improve its competitiveness.

The diversity of employees in Malaysia and Hong Kong by gender, age and position is presented below:

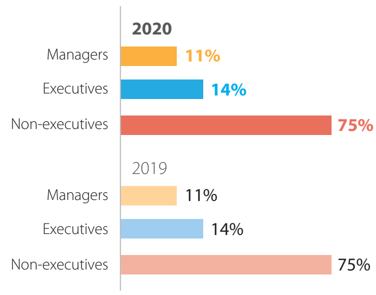
Employee diversity by gender



Employee diversity by age



Employee diversity by position



The Group has a balanced workforce in terms of gender where 40% of its senior management team are female. Most of its workforce is in the range of age 26 to 49. This means it has a young workforce which is important for the long-term sustainability of the Group.

In Malaysia, the Group has collective agreements with its in-house unions for Sin Chew Media Corporation Berhad, Nanyang Press Holdings Berhad and The China Press Berhad.

(ii) Employee Engagement

Employee engagement is an important aspect as the Group believes that to build team spirit among its workforce, the employees need to know and understand each other. Employees interact with each other through events such as annual dinner, Chinese New Year and Christmas festival celebrations, as well as departmental dinners. In recognition of long-service employees, their services are recognised at an award ceremony where they are given awards as an appreciation for their loyalty and dedication to the Group.

(iii) Training and Education

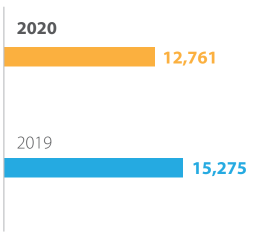
The Group has adopted a policy on "Employee Training and Development" to improve its employees' skills and performance. Training is important as the employees need to be relevant to maintain a competitive edge for the Group's continued growth and success.

The Group's employees are provided training in the forms of on-job training, structured internal training and attending external training and development programmes to enable them to upskill, gain new knowledge and skills necessary to cope with the technological changes in order to help the Group deliver against its strategic priorities.

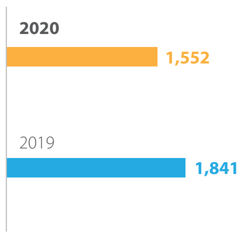
Annual performance evaluation is conducted to evaluate employees based on key performance targets set for each individual.

The training hours, number of employees trained and training by category for the financial years ended 31 March 2020 and 2019 are presented below:

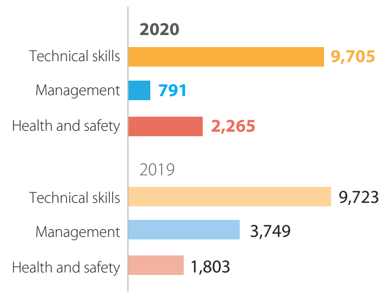
Number of training hours



Number of employees trained



Number of hours by three main categories of training programmes



(iv) Health and Safety

The Board places importance on health and safety. The Group has a policy of ensuring the health, safety and welfare of all its employees.

The Group is committed to providing and maintaining a safe and healthy place for all its employees to work in. This is critical especially with the outbreak of the COVID-19 pandemic. Hence, the Group has in place health and safety measures to achieve an injury and illness free workplace. Work practices are continuously reviewed to ensure that high safety standards are maintained in all of the Group's business operations.

In Malaysia, an Occupational Safety and Health Committee ("OSHC") was established to help identify hazards and trends and facilitate the dissemination of information in order to address any concerns raised. The OSHC trains and reminds the employees to follow procedures for health and safety. For the year under review, the Group had organised training sessions on first aid and for its fire squad, and held talks on "Managing Stress and Health at Work" for 166 employees.

In Hong Kong, a safety committee is set up pursuant to the Factories and Industrial Undertakings (Safety Management) Regulation, Laws of Hong Kong to implement a safety management system and monitor the safety policy in printing plants. By virtue of the Regulation, a safety review is conducted annually for the purpose of evaluating the effectiveness and considering improvement of the safety management system. Safety review report including safety improvement plan will be prepared and submitted to the Labour Department for examination. For the financial year ended 31 March 2020, its Hong Kong operations had organised training on topics such as how to operate machinery in a safe manner and wellness while working which was attended by 73 employees.

In view of the global outbreak of COVID-19, the Group has set up an Emergency Response Team in the respective subsidiary companies consisting of the heads from all business units within the operating company.

Our priorities have been to safeguard the health and wellbeing of our colleagues and maintain our business operations.

The Group has implemented social distancing measures and hygiene best practices in line with the local health authority and WHO guidelines. We have strengthened the cleaning procedure for the workplace, prepared relevant protective materials for use and put into place some other preventive measures. Meanwhile, the Human Resources Department has provided pandemic updates, health and safety guidelines such as posting infection control guidelines, safety tips and quarantine policies to staff.

All local and overseas business travel were cancelled and measures such as working from home and flexible working hours were implemented.

During the current financial year, the number of workplace accidents was 10 compared to 17 in the previous year. These accidents were all non-fatal and resulted in minimal productivity interference. In order to prevent the recurrence of similar incidents, these accidents were investigated and reported to the relevant authorities. The Group then will take action based on the learnings from these accidents to avoid future mishap.

(v) Work-life balance

To attract and retain talent, work-life balance is an important factor. The Group therefore strives to provide an environment in which its employees can strike a work-life balance. The Group organises and subsidises sports and fitness activities such as yoga and badminton for its employees. The Group had also held talks such as "Health & Wellness for Better Productivity" and "Managing Stress and Health at Workplace" .

(vi) Child and forced labour policies

The Group has a policy of not recruiting any minor or forced labour. The Group does not use any kind of child labour or forced labour.

(vii) Code of Ethics and Conduct

The Group has a Code of Ethics and Conduct that obliges its directors and employees to behave ethically and maintain high level of professionalism and exemplary corporate conduct. The Code of Ethics and Conduct states that directors and employees should avoid involving themselves in situations where there is a real or apparent conflict of interest between them as individuals and the Group's interests.

Directors and employees must exercise caution and due care to safeguard any confidential and sensitive information relating to the Group that may have come to their knowledge during their employment. They are also reminded of prohibitions against using inside information for securities trading.

The Group's Whistleblowing Policy applies to any party (internal or external party) who has concerns about any possible or suspected malpractices, wrongdoing, or improprieties concerning the Group. Report may be made to the Audit Committee's Chairman or the Chairman of the Board. No individual will suffer any act of retaliation or be discriminated against for reporting in good faith on violations or suspected violations.

The Group also has an anti-sexual harassment policy in place to protect employees against sexual harassment. Any concerns about sexual harassment may be reported to the individual's immediate superior or to the Human Resources Department and will be treated in the utmost confidentiality.

(viii) Anti-Bribery and Corruption

The Group's Anti-Bribery and Corruption Policy ("ABC Policy") was adopted by the Board on 27 February 2020.

The Board believes that the policy would be key in ensuring a systematic approach to prevent corruption, and complying with applicable legal and regulatory requirements in the various jurisdictions in which the Group operates.

Every director, employee and person acting on the Group's behalf is responsible for maintaining the Group's reputation and for conducting company business honestly and professionally.

The Group takes a zero-tolerance approach to bribery and corruption and is committed to acting professionally, fairly and with integrity in all business dealings and relationships wherever it operates.

All directors and employees should perform their duties objectively and ethically and not to do anything and act in any manner which will cast doubts or suspicions over the Group's commitment in combating bribery and corruption or the attempt thereof.

Any party (including an external party) who has concern about possible violation of the ABC Policy, is encouraged to whistleblow or report the concerns in accordance with the Group's Whistleblowing Policy which is available at www.mediachinesegroup.com.

To date, there is no legal case concerning corrupt practices concluded against the Group or any of its directors or employees.

(II) Contribution to Community

The Group is committed to being a responsible member of communities where it operates, to supporting those in need which may include sponsoring various events, initiatives and organisations.

The Group's community investment policy centers on focus areas that reflect its values and expertise: Knowledge Building, Education, Humanitarian Assistance and Medical Assistance.

NURTURING TALENT AND KNOWLEDGE BUILDING

As the saying goes 'Give a man a fish and you feed him for a day. Teach a man to fish and you feed him for a lifetime", hence the Group believes in equipping the community with knowledge in order for them to earn a living. These efforts should start at a young age hence the Group organises knowledge building activities for school children such as "National NIE Quiz" and "Sin Chew Online Quiz" through *Sin Chew Daily*. These activities aim to build general knowledge and inculcate the habit of reading.

To encourage the love of writing, *Ming Pao Daily News and China Press* organise events such as " Young Writer's Training Program" and "SaZhong Writing Camp" respectively to train writing skills.

Budding journalists can practice their investigative and writing skills by joining cadet reporter programs such as "Ming Pao Student Reporter Scheme" and "Sin Chew Cadet Reporter Program". These programs are organised for the Group to build and recruit future talent for its operations.

PROMOTING EDUCATION

The importance of education is known to many but it can also be unattainable by the underprivileged.

The Group invests a lot of time reaching out to corporates to seek sponsorship and/or carries out fundraising activities to help support educating the younger generation by giving them various educational opportunities from early childhood education to university studies.

Sin Chew Daily in collaboration with other corporates and its readers has raised funds through programs such as Sin Chew Daily Education Fund, Sin Chew Daily Readers Study Aid Project, and Sin Chew Daily Taiwan Education Aid which helps students achieve tertiary education in Taiwan. Meanwhile, *Guang Ming Daily* through Guang Ming Charity Fund and An Xue Project donated to underprivileged students. Whilst *Nanyang Siang Pau* and *China Press* helped raise funds for Chinese primary schools through Carlsberg Top Ten Charity Campaign.

Yayasan Nanyang Press through its program "Dream House for the Hidden Stars" helped fund the learning programs for those with learning disabilities.

Sustainability Report

HUMANITARIAN ASSISTANCE

Yayasan Sin Chew and Yayasan Nanyang Press are charitable foundations set up by the Group in Malaysia to raise funds and manage the usage of these funds for charitable purposes.

Yayasan Sin Chew runs an on-going project known as "WeCare Project" which sponsors students from underprivileged homes by providing a monthly stipend. The foundation visits the homes of these students to review and monitor their well-being.

In the financial year under review, Yayasan Sin Chew donated RM4.5 million to help NGOs, orphanages, old folks homes and hospices which have monetary issues due to the difficulty in raising funds in the weak economic environment.

Meanwhile Yayasan Nanyang Press assisted NGOs that were in need of funds such as the Agape Counseling Centre and the Rotary Club. It had also donated funds to upgrade and refurbish the KKM community feeding centre at Kampung Dayok, Pos Lenjang and provided medical equipment to ex-policemen and firemen.

In Hong Kong, *Ming Pao Daily News* through "Readers Donations" and "Book Donation" activities had raised funds for the unfortunate and donated books collected to 8 charitable organisations and a school.

MEDICAL ASSISTANCE SUPPORT

The increasing cost of medical treatment has left many underprivileged families in a lurch. Being fully aware of this predicament, the Group helps the communities it operates in by providing financial assistance for medical needs or funding medical facilities.

Yayasan Nanyang Press provides sponsorship to 4 dialysis centres throughout Malaysia to subsidise their costs in treating their patients.

Both Yayasan Sin Chew and Yayasan Nanyang Press offer financial aid to Malaysians who would otherwise be unable to afford medical treatment. Our newspaper titles are used to appeal for public donations and raise money through fundraising events.

During the year, we have raised a total of approximately RM6.68 million for the medical needs of the less fortunate in Malaysia.

Guang Ming Daily continues to share medical and health tips and information with the public through talks such as "Diabetes Health Awareness Talk" and "Vision Health Awareness Talk".

In Hong Kong, *Ming Pao Daily News* had organised talks to raise awareness on health topics such as dementia, ovarian cancer, liver cancer, gout and lymphoma.

Following the outbreak of COVID-19, Yayasan Sin Chew and Yayasan Nanyang Press together have raised approximately RM7.4 million as at 30 April 2020 to purchase masks, personal protective equipment, ventilators, medical supplies and equipment for hospitals in Malaysia.

Yayasan Sin Chew worked with Asian Kitchen to deliver meals to medical professionals and frontliners who were on duty around Kuala Lumpur.

Yayasan Nanyang Press and Test 4 Malaysia Professional Voluntary Group have launched a fundraising initiative for purchasing COVID-19 testing kits for hospitals all over Malaysia. By April 2020, Yayasan Nanyang Press has managed to raise approximately RM11.4 million for the project.

(III) Readers and Advertisers

Staying connected with its readers and advertisers is important to the Group, as this allows it to know and understand the demands of this group of stakeholders. The Group uses several platforms such as social media, ground activities and its printed publications to reach out.

The Group also welcomes visitors to its printing plants so that many will understand and appreciate the newspaper production process. In 2019, *Sin Chew Daily*, *China Press* and *Ming Pao Daily News* received visits from schools to their printing plants to provide students with an overview of their newspaper operations. These visits serve as a means to build brand loyalty among the students who form the next generation of readers for the Group's publications.

Sin Chew Daily connects with its advertisers through events such as the Sin Chew Business Excellence Award, Sin Chew Education Fair and Sin Chew 90th Anniversary Gala.

Sin Chew Daily and Life Magazines jointly organised Malaysia Health and Wellness Brand Awards to give recognition to the industry's outstanding health brands. It is the only awards program in the country that is endorsed by the Ministry of Health, Malaysia.

Nanyang Siang Pau which positions itself as a business paper organised award events such as the Golden Eagle Award, 2019 Nanyang Business Award, Corporate Social Responsibility Award to recognise the contribution of business community and entrepreneurs. Meanwhile, *China Press* held the 8 VIC Investment Workshop to educate the public on investments.

In Hong Kong, *Ming Pao Daily News* held a series of seminars and events, including overseas property seminars, education and career expo. In March 2020, *Ming Pao Daily* held a virtual Education Expo in light of the COVID-19 pandemic.

In order to reach out to readers and advertisers, the Group has held events such as Four Seasons Chinese Festival dinners by *Sin Chew Daily*, Temple Fair by *Guang Ming Daily*, and Chinese New Year Carnival by *Nanyang Siang Pau*.

(IV) Investors and Shareholders

The Company engages its investors and shareholders through press releases, announcements and the Group's website (www.mediachinesegroup.com). It also engages its shareholders at annual general meetings.

The Company has a shareholders' communication policy. The details of shareholders' rights are set out in the Corporate Governance Overview Statement in this Annual Report on pages 45 to 66. The Group's website also provides detailed information on procedures for shareholders to propose a person to be elected as a director.

OBJECTIVES FOR SOCIAL SUSTAINABILITY	PROGRESS
• To create a diversified and skilled workforce	The Group provided training to 1,552 employees during the financial year under review and the total number of training hours was 12,761 hours.
• To continue to engage its stakeholders	Details of these engagements are stated on pages 29 to 30.
• To build an ethical business culture	The Group has implemented an anti bribery and corruption framework within the Group

GOVERNANCE

The Group is committed to implementing practices that support sustainable economic growth through strong governance and accountability.

Further details on the Group's corporate governance are set out in the Corporate Governance Overview Statement and Statement on Risk Management and Internal Control on pages 45 to 66 and pages 68 to 72 of this Annual Report respectively.

Corporate Governance Overview Statement

INTRODUCTION

The Board of Directors (the "Board") of the Company recognises the importance of maintaining a high standard of corporate governance practices within the Group which is fundamental to sustain business growth and to meet the increasingly challenging market environment.

The Company has adopted all the code provisions in the Corporate Governance Code (the "Hong Kong Code") contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "HK Listing Rules") as its own code on corporate governance practices. During the year under review, all the code provisions as set out in the Hong Kong Code have been complied with.

Pursuant to Paragraph 15.25 of the Main Market Listing Requirements (the "Bursa Securities Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Company is also guided by the Malaysian Code on Corporate Governance 2017 (the "Malaysian Code") which is based on the following three key principles of good corporate governance:

- board leadership and effectiveness;
- effective audit and risk management; and
- integrity in corporate reporting and meaningful relationship with stakeholders.

This statement seeks to present an overview of how these key principles are applied. Details of the application of the principles of the Hong Kong Code and the Malaysian Code are set out in the Corporate Governance Report which can be accessed on the Company's website: www.mediachinesegroup.com.

CONDUCT ON SHARE DEALINGS

The Company has adopted the requirements and code as set out in (i) Chapter 14 (Dealings in Listed Securities) of the Bursa Securities Listing Requirements ("Chapter 14 of the Bursa Securities Listing Requirements") and (ii) the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the HK Listing Rules as its own code for securities transactions by directors of the Company. Following specific enquiry by the Company, all directors of the Company have confirmed their compliance with the required standards as set out in (i) Chapter 14 of the Bursa Securities Listing Requirements and (ii) the Model Code during the year.

The Company has also established written guidelines regarding securities transactions on no less exacting terms than the Model Code for senior management and specific individuals who may have access to inside information in relation to the securities of the Company.

Corporate Governance Overview Statement

BOARD LEADERSHIP AND EFFECTIVENESS

Board — strategy and supervisory

The Company is led by an experienced, competent and diversified Board. The directors collectively have wide and varied technical, financial and commercial experience which facilitates effective discharge of the Board's statutory and fiduciary duties and responsibilities.

The principal responsibilities of the Board include reviewing and adopting strategic plans for the Group, directing future expansion, overseeing the conduct of business, reviewing the adequacy and the integrity of internal control systems, identifying principal risks and ensuring the implementation of appropriate systems to manage these risks, establishing a succession plan, and developing and implementing a shareholders' communication programme for the Group.

The duties of the Board also cover reviewing and developing the Company's policies and practices on good corporate governance; reviewing and monitoring the training and continuous professional development of directors and senior management; reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements; developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to employees and directors; and reviewing the Company's compliance with the Hong Kong Code and the Malaysian Code and disclosures in this Corporate Governance Overview Statement.

The Board delegates specific powers to its Board committees, all of which operate within defined terms of reference as set out in the Board Charter. The Board committees include the Group Executive Committee, Audit Committee, Nomination Committee and Remuneration Committee. Members of the Group Executive Committee are invited to brief the Board on a quarterly basis. Monthly reports on the Group's business and financial performance are circulated to the directors for review and comments.

At the quarterly Board meetings, the Board deliberated and reviewed a variety of matters including the Group's financial performance, business development, corporate strategies and risk management. The Board also reviewed the succession planning, governance policies and practices including the adoption of the Anti-Bribery and Corruption Policy, and approved the Group's business plan and financial budget for the financial year ending 31 March 2021 in February 2020.

The attendance of the directors at the board meetings is set out on page 48 of this Annual Report.

CHAIRMAN OF THE BOARD

The positions of Chairman and Group Chief Executive Officer ("GCEO") are held by two different individuals and each has a clearly accepted division of responsibilities.

The Chairman is responsible for leading the Board in discharging its duties effectively, and enhancing the Group's standards of corporate governance. He promotes an open environment for debate, and ensures that all directors are able to speak freely and contribute effectively at Board meetings. The Chairman also provides clear leadership to the Board with respect to the Group's long-term growth and strategy. On 27 February 2020, the Chairman held a private meeting with the independent non-executive directors without the presence of the executive directors and senior management.

The GCEO is primarily responsible for the day-to-day management of the business and operations of the Group. He executes the Board's decisions and strategic policies and chairs the Executive Committees, which comprise senior management executives, to oversee the operations of the Group.

BOARD CHARTER

The Board Charter sets out the roles and responsibilities of the Board, Board committees and individual directors in upholding sound corporate governance standards and practices. The Board Charter reflects the matters reserved for the Board's consideration and approval. The Board Charter was last reviewed on 27 February 2020 to incorporate changes relating to the establishment of the Anti-Bribery and Corruption Policy of the Group, following the implementation of the new section 17A of the Malaysian Anti-Corruption Commission Act ("MACC Act"). The Board Charter is available for reference on the Company's website at www.mediachinesegroup.com.

ETHICAL STANDARDS

In discharging its responsibilities, the Board is guided by the Company's Code of Ethics and Conduct, which sets out the values, principles and guidelines as to how the Company conducts its business to ensure integrity, transparency and accountability. This is applicable to all directors and employees of the Group to govern the desired standard of behavior and ethical conduct expected from each individual throughout all levels within the Group. The Company also has in place a Whistleblowing Policy, which forms part of the Code of Ethics and Conduct. This provides an avenue for any director or employee to freely communicate their concerns about unethical practices without fear or repercussions in a safe and confidential manner.

As an effort to continuously observe high standard of ethical conducts, the Board has adopted the Anti-Bribery and Corruption Policy on 27 February 2020. The Code of Ethics and Conduct and the Whistleblowing Policy of the Group were also reviewed to update relevant changes to the policies, procedures and processes for compliance and good governance practices. The Anti-Bribery and Corruption Policy, Code of Ethics and Conduct and the Whistleblowing Policy are available on the Company's website at www.mediachinesegroup.com.

BOARD COMPOSITION

As at 31 March 2020, there were 7 members on the Board comprising 3 executive directors, Ms TIONG Choon, Mr TIONG Kiew Chiong (GCEO) and Mr LEONG Chew Meng; 1 non-executive director ("NED"), Dato' Sri Dr TIONG Ik King (Non-executive Chairman); and 3 independent non-executive directors ("INEDs"), Mr YU Hon To, David, Datuk CHONG Kee Yuon and Mr KHOO Kar Khoon, which fulfils the requirements under the HK Listing Rules and Bursa Securities Listing Requirements.

A brief description of the background of each director including his/her relationship, if any, with other Board members is presented on pages 4 to 8.

The Company, being majority-owned by the TIONG family, is aware of the benefits of having at least half of the Board made up of INEDs.

The Board, having conducted the annual review of the Board size and composition, is of the view that the Board is well-constituted with the right balance where no individual or small group of individuals can dominate the Board's decision-making. The current Board has a diverse mix of skills and experience to ensure it is effective and can optimise performance and strategy development in the best interest of the investors and shareholders of the Company. The Board will consider changes to the Board size and composition as and when necessary.

Corporate Governance Overview Statement

BOARD MEETINGS

All directors are expected to commit sufficient time in carrying out their responsibilities and the Chairman of the Board will be notified before a director accepts any new directorship.

The Board meets on a quarterly basis and additionally as and when required. Quarterly meetings as well as annual general meeting ("AGM") are scheduled in advance annually to enable the directors to plan ahead to ensure their attendance at the meetings. Notices of meetings which set out the matters to be discussed are sent to the directors at least 14 days prior to the meetings. All notices and meeting materials are communicated to the directors via emails or other means. This is to enable the directors to have sufficient time to review the meeting materials and obtain further information on the matters to be deliberated at the meetings. The directors may participate in the meetings through telephone, video conference or other forms of communication.

At Board meetings, management presents and provides explanation on the reports provided. Members of the Executive Committees and consultants may be invited to attend the Board meetings to advise or give detailed explanation and clarification on relevant agenda items to enable the Board to make informed decisions. Any director who has a direct and/or indirect interest in the subject matter to be deliberated on shall abstain from deliberation and voting on the same.

MEETING MATERIALS

All directors are furnished with a set of meeting papers at least 5 days in advance before each Board or Board committee meeting. The meeting papers include, among others, comprehensive management reports, minutes of meetings, project proposals and discussion documents regarding specific matters. Minutes of the respective Board committees' meetings are presented to the Board for notation. Through regular Board meetings, the Board receives updates on new statutory and regulatory requirements relating to the duties and responsibilities of directors and their impact and implication to the Company and the directors in carrying out their fiduciary duties and responsibilities.

During the year, four (4) Board meetings were held. The attendance record for each director at the Board meetings and AGM is as follows:

	No. of meetings attended	
Directors	**Board**	**AGM**
Non-executive director		
Dato' Sri Dr TIONG Ik King *(Chairman)*	4/4	1/1
Executive directors		
Ms TIONG Choon	3/4	1/1
Mr TIONG Kiew Chiong *(GCEO)*	4/4	1/1
Mr LEONG Chew Meng	4/4	1/1
Independent non-executive directors		
Mr YU Hon To, David	4/4	1/1
Datuk CHONG Kee Yuon	4/4	1/1
Mr KHOO Kar Khoon	4/4	1/1

BOARDROOM DIVERSITY

The Board acknowledges the importance of boardroom diversity and has adopted a policy on board diversity ("Board Diversity Policy"). Despite no specific targets being set, the Board is committed to improving the boardroom diversity in terms of gender, age, nationality, ethnicity and socio-economic background. In addition, the Nomination Committee also places emphasis on relevant skills, age, experience, knowledge, cultural background, personality and gender when considering new appointments of directors and conducting the annual performance evaluation on the effectiveness of the Board.

At present, the Company has one female director and the Board will work towards having more women representative on the Board to reflect the Company's commitment towards gender diversity. The Board will also take steps to nurture suitable and potential candidates in meeting the future needs of the Company.

BOARD APPOINTMENT

The Nomination Committee established by the Board is responsible for assessing the nominee(s) for directorship and Board committee membership and thereupon submitting their recommendation to the Board for decisions. In ensuring the suitability of a candidate, the Board reviews the required mix of skills, experience and expertise of Board members to ensure that it is sufficient to address the issues affecting the Company. In its deliberations, the integrity, professionalism, skills, knowledge, expertise, experience and independence of the proposed candidate are taken into account.

The Board may utilise independent sources to identify candidates for appointment of directors. Apart from that, the Nomination Committee also considers recommendations from existing Board members, management or major shareholders.

RE-ELECTION OF DIRECTORS

In accordance with the Company's Bye-Laws, all newly appointed directors shall retire from office but shall be eligible for re-election in the next AGM or the next general meeting subsequent to their appointment. The Company's Bye-Laws further provide that at least one third of the remaining directors (save for the Non-executive Chairman) for the time being are required to retire by rotation at each AGM and eligible for re-election. Further, in accordance with the HK Listing Rules, all directors (including the Non-executive Chairman) shall retire from office once in every 3 years but shall be eligible for re-election.

TERMS OF APPOINTMENT OF NON-EXECUTIVE DIRECTORS

The Company had entered into appointment letters with the INEDs namely, Datuk CHONG Kee Yuon and Mr KHOO Kar Khoon, and the NED namely, Dato' Sri Dr TIONG Ik King, for a term of two years from 1 April 2020 to 31 March 2022; Mr YU Hon To, David, for a term of one year from 1 April 2020 to 31 March 2021, subject to retirement and re-election by rotation at the AGM in accordance with the Bye-Laws of the Company.

Corporate Governance Overview Statement

BOARD INDEPENDENCE

The Company measures the independence of its directors based on the criteria of independence as prescribed by the HK Listing Rules and the Bursa Securities Listing Requirements.

The Nomination Committee reviews the independence of the directors annually and each INED also performs a self-evaluation to affirm their independence from management. The Board and the Nomination Committee have, upon their annual assessment, concluded that each INED continues to demonstrate conduct and behaviour that are essential indicators of independence and acts in the best interest of the Company. These were based on the grounds that they have consistently challenged management in an effective and constructive manner besides actively participated in Board discussions and provided an independent voice to the Board.

SHAREHOLDERS' APPROVAL FOR RE-APPOINTMENT OF AN INDEPENDENT DIRECTOR WHO HAS SERVED MORE THAN 9 YEARS

In line with the practice of the Malaysian Code, the tenure of an INED should not exceed a cumulative term of 9 years. An independent director may continue to serve the Board subject to his re-designation from an INED to a NED. In the event the Board intends to retain the INED after serving a cumulative term of 9 years, it should justify and seek annual shareholders' approval. The tenure of an INED shall be counted from the date when the Company was dual-listed on Bursa Securities on 30 April 2008.

Mr YU Hon To, David was appointed to the Board as an INED on 30 March 1999, and has therefore served the Board for more than 9 years. During his tenure of office, Mr YU has fulfilled all the requirements regarding independence of an INED and has provided annual confirmation of independence to the Company pursuant to Rule 3.13 of the HK Listing Rules and Paragraph 1.01 of the Bursa Securities Listing Requirements.

The Board believes that Mr YU, who has over a period of time developed valuable insight of the Company and its business, can make valuable contributions to the Group. His expertise and experience enable him to discharge his duties and responsibilities independently and effectively notwithstanding his tenure on the Board. Based on the review and recommendation of the Nomination Committee, the Board views that Mr YU's independence has not been impaired or compromised in any way. In view of the above, the Board recommends to seek the shareholders' approval for the re-appointment of Mr YU as an INED of the Company at the forthcoming AGM.

BOARD EVALUATION

The Board, through the Nomination Committee, undertakes an annual evaluation on the effectiveness of the Board as a whole, the Board committees and the contributions of each individual director of the Company based on a set of pre-determined criteria. During the year, the annual evaluation process was internally facilitated and conducted through questionnaires circulated to each individual director covering areas such as board structure, diversity (including the gender diversity), contribution and performance, integrity and other qualities including core competencies which directors should bring to the Board, etc. They reviewed their own performance, the effectiveness of the Board, the Board committees and the contributions of each individual director, the independence of the INEDs and the Board's mix and skillset. All INEDs had also submitted the annual confirmation of independence and confirmed their compliance with the independence criteria.

A summary report on the results of questionnaires was tabled to the Nomination Committee for deliberation, prior to recommending the appropriate action to the Board for consideration, in February 2020. The Nomination Committee is satisfied that (i) the Board and the Board committee's composition has fulfilled the criteria required, and possess a right blend of knowledge, experience and mix of skills; and (ii) the overall performance of the Board, Board committees and individual directors had been effective in discharging their functions and duties.

DIRECTORS' TRAININGS

The directors are encouraged to attend continuous education programmes, to enhance their skills and knowledge and to keep abreast with new developments in the business environment. The Joint Company Secretaries facilitate the organisation of in-house trainings and circulate regular updates on training programmes from various organisations to the directors for their consideration for participation. During the year under review, an in-house briefing in respect of the corporate liability provision for bribery and corruption under section 17A of the MACC Act was conducted on 9 October 2019 and the conferences, seminars and training programmes attended by the directors included the following:

- Forbes Global CEO Conference
- Corporate Liability Provision under MACC Amendment Act 2018 — Safeguarding the Group, its Directors Top Management & Personnel against Corruption Prosecution
- WAN-IFRA Publish Asia 2019
- Malaysia-China Belt & Road Economic Cooperation Forum 2019
- 10th World Chinese Media Forum
- 71st World News Media Congress
- Future Business Ideas (FBI) 2019 Conference — Business Innovation Re-imagined
- Bursa Malaysia Thought Leadership Series — Leadership Greatness in Turbulent Times: Building Corporate Longevity
- Malaysia Media Conference 2019
- Demystifying the Diversity Conundrum: The Road to Business Excellence

Below is a summary of the trainings received by the directors during the year under review:

Name of director	**Type of training**
Dato' Sri Dr TIONG Ik King	A, B
Ms TIONG Choon	A, B
Mr TIONG Kiew Chiong	A, B
Mr LEONG Chew Meng	A, B
Mr YU Hon To, David	A, B
Datuk CHONG Kee Yuon	A, B
Mr KHOO Kar Khoon	A, B

A: attended seminars/conferences/workshops/forums

B: read journals and updates relating to the economy, media business, governance and directors' duties and responsibilities, etc.

The directors will continue to attend relevant training programmes and seminars from time to time, in order to equip themselves with requisite knowledge and skills to discharge their duties and responsibilities more effectively.

Corporate Governance Overview Statement

BOARD COMMITTEES

The following is the attendance record of the Board committees' meetings for the financial year ended 31 March 2020 (save and except for the attendance record of the Audit Committee which is set out on page 73):

	No. of meetings attended
Group Executive Committee	
Mr TIONG Kiew Chiong *(Chairman)*	4/4
Mr LEONG Chew Meng	4/4
Mr WONG Khang Yen	4/4
Mr LIEW Sam Ngan (appointed on 1 February 2020)	1/1
Mr NG Kait Leong (resigned on 15 February 2020)	3/3
Nomination Committee	
Mr KHOO Kar Khoon *(Chairman)*	1/1
Mr YU Hon To, David	1/1
Datuk CHONG Kee Yuon	1/1
Remuneration Committee	
Datuk CHONG Kee Yuon *(Chairman)*	3/3
Mr YU Hon To, David	3/3
Mr KHOO Kar Khoon	3/3
Mr TIONG Kiew Chiong	3/3
Mr LEONG Chew Meng	3/3

GROUP EXECUTIVE COMMITTEE

The Board has delegated the day-to-day operations of the Group's business to the Group Executive Committee which comprises the following members:

- Mr TIONG Kiew Chiong *(Chairman)*
- Mr LEONG Chew Meng
- Mr WONG Khang Yen
- Mr LIEW Sam Ngan (appointed on 1 February 2020)
- Mr NG Kait Leong (resigned on 15 February 2020)

The duties and responsibilities of the Group Executive Committee include, among others:

- Monitoring and reviewing the operations in Hong Kong, Taiwan, North America, Malaysia and other Southeast Asian countries;
- Performing duties delegated by the Board and exercising the authorities and rights authorised by the same;
- Formulating strategies and business development plans, submitting the same to the Board for approval and implementing such strategies and business development plans thereafter; and
- Assisting the Board in conducting the review of the adequacy and effectiveness of risk management and internal control systems of the Group.

The Group Executive Committee meets regularly to deliberate and consider matters related to the Group's business operations. During the year, the Group Executive Committee has assisted the Board in reviewing the Group's business performance and financial position, implementing new policies and business strategies required by the Board.

NOMINATION COMMITTEE

The Nomination Committee comprises entirely of INEDs and its members during the year were:

- Mr KHOO Kar Khoon *(Chairman)*
- Mr YU Hon To, David
- Datuk CHONG Kee Yuon

The duties and responsibilities of the Nomination Committee include, among others:

- Reviewing the structure, size and composition of the Board, including the balance mix of skills, knowledge, experience and independence of the INEDs at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- Assessing annually the effectiveness of the Board as a whole, the Board committees and the contribution of each individual director. All assessments and evaluation are documented for proper records; and
- Identifying and recommending new nominees to the Board and Board committees. The final decision as to who shall be appointed as director remains the responsibility of the full Board, after considering the recommendation of the Nomination Committee.

Corporate Governance Overview Statement

Meetings of the Nomination Committee are held as and when necessary, and at least once a year. A summary of the key activities undertaken by the Nomination Committee is as follows:

- Reviewed the structure, size and composition of the Board and the Board committees and made recommendations to the Board with regard to any adjustment thereof and/or the appointment of directors as the Nomination Committee deems necessary;
- Conducted the annual performance evaluation and reviewed the assessment results/findings prior to recommending the appropriate action to the Board for consideration;
- Assessed the directors' training needs;
- Recommended whether the directors who are retiring by rotation should stand for re-election at the AGM;
- Reviewed the retention of Mr YU Hon To, David, who has served the Company as an INED for more than 9 years, for recommendation to the shareholders for their approval;
- Considered and recommended the renewal and new service contracts for the Board members; and
- Reviewed the succession plans of the Board and senior management in order to ensure that there are appropriate plans in place to fill vacancies and to meet the Group's future needs.

Nomination Policy

The Company has adopted a nomination policy (the "Nomination Policy") which sets out the procedures and criteria for the selection, appointment, re-appointment or re-election of directors. The selection criteria that the Nomination Committee has to consider in evaluating and selecting a candidate for directorship include the following:

(a) character and integrity;

(b) qualifications including professional and education qualifications, personal qualities, skills, knowledge, expertise and experience that are relevant to the Company's business and corporate strategy;

(c) commitment and willingness to devote sufficient time to discharge duties as a member of the Board;

(d) professional ethics and independent judgement of the person;

(e) Board Diversity Policy and any measurable objectives adopted for achieving diversity on the Board;

(f) independence of the proposed INEDs;

(g) such other perspectives appropriate to the Company's business or as suggested by the Board.

Nomination Procedures

(a) Nomination by the Nomination Committee

(i) The Nomination Committee reviews the structure, size and composition (including the balance mix of skills, knowledge and experience) of the Board at least annually and make recommendation on any proposed changes to the Board to complement the Company's corporate strategy;

(ii) When it is necessary to fill a causal vacancy or appoint an additional director, the Nomination Committee identifies or selects candidates as recommended to the Committee, with or without assistance from external agencies or the Company, pursuant to the criteria set out in the Nomination Policy;

(iii) If the process yields one or more desirable candidates, the Nomination Committee shall rank them by order of preference based on the needs of the Company and reference check of each candidate (where applicable);

(iv) The Nomination Committee makes recommendation to the Board including the terms and conditions of the appointment; and

(v) The Board deliberates and decides on the appointment based upon the recommendation of the Nomination Committee.

(b) Re-election of Director at AGM

(i) In accordance with the Company's Bye-Laws, every director shall be subject to retirement by rotation at least once every three years and shall be eligible for re-election at each AGM;

(ii) The Nomination Committee shall review the overall performance and contribution of the retiring director to the Company. The Nomination Committee shall also review the expertise and professional qualifications of the retiring director, who offered himself/herself for re-election at the AGM, to determine whether such director continues to meet the criteria as set out in the Nomination Policy;

(iii) Based on the review made by the Nomination Committee, the Board shall make recommendations to the shareholders on candidates standing for re-election or re-appointment at the AGM, and provide the available biographical information of the retiring directors in accordance with the HK Listing Rules and the Bursa Securities Listing Requirements to enable the shareholders to make informed decisions on the re-election of such candidates at the AGM.

(c) Nomination by shareholders

The shareholders of the Company may propose a person for election as a director in accordance with the Bye-Laws of the Company and applicable law, details of which are set out in the "Procedures for shareholder to propose a person for election as a director" on the Company's website at www.mediachinesegroup.com.

REMUNERATION COMMITTEE

The Remuneration Committee comprises 5 directors, 3 of whom are INEDs. The members of the Remuneration Committee are:

- Datuk CHONG Kee Yuon *(Chairman)*
- Mr YU Hon To, David
- Mr KHOO Kar Khoon
- Mr TIONG Kiew Chiong
- Mr LEONG Chew Meng

Corporate Governance Overview Statement

The duties and responsibilities of the Remuneration Committee include, among others:

- Recommending to the Board on the Company's policies and structure for directors' and senior management's remuneration and on the establishment of a formal and transparent procedure for developing a remuneration policy; and

- Reviewing and recommending to the Board on the remuneration packages of individual executive directors, senior management and the remuneration of NEDs.

The Remuneration Committee meetings are held as and when necessary and at least once a year. During the year, the Remuneration Committee has reviewed the remuneration policy and structure of the executive directors and senior management of the Company. It has also reviewed and recommended to the Board the specific remuneration packages including the terms of employment and performance-based bonus for the directors of the Company and senior management of the Group.

Remuneration Policy and Procedures

The policy for directors' remuneration is to provide a remuneration package needed to attract, retain and motivate directors and senior management of the quality required to supervise and/or manage the business of the Group.

The NEDs of the Company are paid fixed annual directors' fees for serving as members of the Board, and these payments are subject to the shareholders' approval at the AGM. NEDs are also paid an attendance allowance for each Board or Board committee meeting that they attend. The Chairman of the Board committees receives an annual fixed allowance for the additional responsibility and commitment required. The executive directors of the Company who are full time employees are remunerated in the form of salaries and bonuses.

The remuneration for executive directors of the Company and senior management of the Group are based on the human resources policies and procedures of the respective operating companies in the Group.

Each individual director abstains from the Board decision on his/her own remuneration.

Remuneration Package

The remuneration package of directors is as follows:

a. Basic salary and bonus

   The basic salary for each executive director is recommended by the Remuneration Committee, taking into consideration all relevant factors including function, workload, contribution and performance of the director, as well as the market rate in comparable companies. Bonuses payable to the executive directors are reviewed by the Remuneration Committee and approved by the Board.

b. Fees and other emoluments

   NEDs and executive directors who are not full time employees of the Group are remunerated by way of fees and other emoluments based on experience and level of responsibilities of the particular directors concerned.

c. Benefits-in-kind

   Other benefits (such as use of company cars, insurance coverage and housing) are made available as appropriate.

Disclosure on Remuneration

The aggregate remuneration of directors comprising remuneration received/receivable from the Company and its subsidiary companies for the financial year ended 31 March 2020 is categorised as follows:

	Executive directors US$'000	Non-executive directors US$'000
Directors' fees	92	134
Meeting allowances	–	3
Salaries and other emoluments	609	–
Benefits-in-kind	49	–
	750	137

The details of each director's total remuneration for the financial year ended 31 March 2020 are set out in Note 16 to the financial statements on page 135.

The number of directors and senior management of the Group whose total remuneration falls into the following bands is as follows:

Range of remuneration	Executive directors	Non-executive directors	Senior management
from US$12,007 to US$24,011 (equivalent to RM50,001 to RM100,000)		2	1
from US$36,017 to US$48,023 (equivalent to RM150,001 to RM200,000)		1	
from US$48,024 to US$60,028 (equivalent to RM200,001 to RM250,000)		1	
from US$72,034 to US$84,040 (equivalent to RM300,001 to RM350,000)	1		
from US$108,052 to US$120,057 (equivalent to RM450,001 to RM500,000)			1
from US$132,063 to US$144,068 (equivalent to RM550,001 to RM600,000)			2
from US$144,069 to US$156,074 (equivalent to RM600,001 to RM650,000)			2
from US$204,098 to US$216,102 (equivalent to RM850,001 to RM900,000)	1		
from US$216,103 to US$228,108 (equivalent to RM900,001 to RM950,000)			1
from US$312,149 to US$324,153 (equivalent to RM1,300,001 to RM1,350,000)			1
from US$468,221 to US$480,227 (equivalent to RM1,950,001 to RM2,000,000)	1		

The Board opined that the names of the top 5 senior management will not be disclosed due to sensitivity and privacy issues.

Corporate Governance Overview Statement

JOINT COMPANY SECRETARIES

The Board is supported by the Joint Company Secretaries who are qualified to act as company secretaries under relevant legislative requirements and the HK Listing Rules.

The Joint Company Secretaries are accountable directly to the Board on the Board's policies and procedures, which include reviewing and implementing corporate governance practices and processes, keeping the Board and the Board committees up to date on relevant regulatory and legislative requirements. They also provide advice on matters pertaining to corporate disclosures and compliance with corporate governance requirements.

The Joint Company Secretaries are responsible to organise and record minutes for all Board and Board committee meetings. They also ensure that Board meeting procedures are followed and that the Company's statutory records are maintained accordingly at the head offices and registered office of the Company. They also organise the AGM with the support from other related departments of the Group.

The Joint Company Secretaries are full-time employees of the Group. Ms TIN Suk Han is a solicitor to the High Court of the Hong Kong Special Administrative Region and an associate member of the Hong Kong Institute of Chartered Secretaries, and Ms TONG Siew Kheng is an associate member of the Malaysian Institute of Chartered Secretaries and Administrators.

DIVIDEND POLICY

The Company adopted a dividend policy which aims to create long term value for its shareholders through maintaining a balance between dividend distribution, preserving adequate liquidity and reserves to meet its working capital requirements and future growth opportunities. In deciding whether to propose a dividend and in determining the dividend amount, the Board will take into consideration the Group's current financial performance, its financial position and liquidity, future working capital requirements and investment plans, as well as other factors as the Board may deem relevant. The payment of dividend is also subject to the compliance with applicable rules and regulations under the laws of Bermuda, Hong Kong, Malaysia as well as the Bye-Laws of the Company.

EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit Committee

The Audit Committee, amongst others, provides advice in the areas of financial reporting, external audit, internal control process, and review of conflict of interest situations and related party transactions. The Audit Committee also undertakes to provide oversight on the risk management framework of the Group. A full Audit Committee Report detailing its composition, terms of reference and a summary of its activities during the year is set out on pages 73 to 76.

The Audit Committee is chaired by Mr YU Hon To, David, an INED who is distinct from the Chairman of the Board. The members are all financially literate and have a full understanding of the Group's financial reporting process and the financial matters deliberated. The members also attended trainings relating to developments in accounting standards and corporate governance.

INDEPENDENCE OF EXTERNAL AUDITOR

The Audit Committee places importance on ensuring that the external auditor is independent.

The appointment of PricewaterhouseCoopers as the external auditor of the Group for the financial year ended 31 March 2020 was approved by the shareholders on 14 August 2019. Though there are currently no written policies in place on the methodology to assess the independence of the external auditor, the external auditor has confirmed its continuing independence status, in compliance with the requirements of International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants.

PricewaterhouseCoopers will retire and has offered itself for re-appointment as external auditor at the coming AGM to be held on 26 August 2020.

A statement by PricewaterhouseCoopers about the reporting responsibilities on the consolidated financial statements of the Group is set out in the Independent Auditor's Report on pages 86 to 89.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board recognises the importance of risk management and internal controls in the overall management processes.

Risk Management and Internal Control Framework

The Board, through the Audit Committee, reviews the adequacy and effectiveness of the Group's risk management framework to ensure robust risk management and internal control systems are in place.

The Group has adopted a formal Risk Management Policy and, through the Group Executive Committee, maintains detailed risk registers which are reviewed and updated regularly. Reports on risk profiles of the Group and the status of progress towards mitigating the key risks areas are reviewed and deliberated by the Audit Committee at its quarterly meetings, before tabling to the Board for notation.

Regular reviews on risk management and internal control activities are performed by the Internal Audit Function. The Internal Audit Function reports functionally to the Audit Committee. Please refer to the Statement on Risk Management and Internal Control on pages 68 to 72 for further information.

Internal Audit

The Group has an in-house Internal Audit Function which currently has 5 team members and is headed by Ms TING Huey Lian. Ms TING is a Certified Internal Auditor (CIA) of the Institute of Internal Auditors (IIA USA), a Certified Public Accountant (CPA) of the Malaysian Institute of Certified Public Accountants (MICPA) and a Chartered Accountant (CA) of the Malaysian Institute of Accountants (MIA). The internal auditors are free from any relationships or conflicts of interest which could impair their objectivity and independence. The Internal Audit Function is guided by the International Professional Practice Framework (IPPF) promulgated by the Institute of Internal Auditors (IIA). The mandatory elements of the IPPF are Core Principles for the Professional Practice of Internal Auditing, Code of Ethics, International Standards for the Professional Practice of Internal Auditing (Standards) and Definition of Internal Auditing.

Details of the Audit Committee's oversight of the Internal Audit Function are set out in the Audit Committee Report on page 76 of this Annual Report.

Corporate Governance Overview Statement

INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Inside Information

The Company is committed to promoting consistent disclosure practices aiming at timely, accurate, complete and broadly disseminated disclosure of inside information about the Group to the market in accordance with applicable laws and regulatory requirements. With respect to procedures and internal controls for the handling and dissemination of inside information, the Company:

- is required to disclose inside information as soon as reasonably practicable in accordance with the Securities and Futures Ordinance, the HK Listing Rules and the Bursa Securities Listing Requirements;
- conducts its affairs with close regard to the "Guidelines on Disclosure of Inside Information" issued by the Securities and Futures Commission and the "Corporate Disclosure Guide" issued by Bursa Securities; and
- ensures, through its own internal reporting processes and the consideration of their outcome by directors and senior management, the appropriate handling and dissemination of inside information.

COMMUNICATION WITH STAKEHOLDERS

The Company values the importance of having effective communication with its stakeholders, shareholders and investors.

During the year, the management had carried out one closed group briefing session for the fund managers and investment analysts, besides attending to ad-hoc written queries on the Company's performance. From time to time, scheduled conference calls are also conducted with regards to the same. The Company also posts its latest corporate information, financial results, press releases, interim and annual reports on its website at www.mediachinesegroup.com.

Announcements are made on a timely basis to Bursa Securities and the HK Stock Exchange and these are made electronically to the public via Bursa Securities website at www.bursamalaysia.com, the HK Stock Exchange website at www.hkexnews.hk as well as the Company's website.

Annual Report

The Annual Report is the main channel of communication between the Company and its stakeholders. The Company has yet to adopt a fully integrated report format but the current format contains comprehensive information of the financial results, management discussion and analysis on operations, governance, sustainability measures and activities of the Group.

AGM and Special General Meetings ("SGM")

The Company's AGM is the principal forum for dialogue with individual shareholders. The AGM is conducted simultaneously in both Hong Kong and Malaysia via video conferencing. At the Company's AGM, which is generally well attended, shareholders are presented with an overview of the Company's performance during the year. Shareholders have direct access to the Board at the AGM and are given the opportunity to ask questions during the open question and answer session prior to the moving of the motion to approve the proposed resolutions. Shareholders are encouraged to ask questions about the resolutions being proposed and on the Company's operations in general.

The Company is committed to providing 28 days prior notice for the AGM.

Separate resolutions are proposed at general meetings for substantially separate issues including the re-election of directors.

Pursuant to Rule 13.39(4) of the HK Listing Rules and Paragraph 8.29A of the Bursa Securities Listing Requirements, all votes of the shareholders at the general meetings shall be taken by poll. Procedures for voting by poll are read out at the general meetings and the shareholders participate in the deliberation of the resolutions being proposed. The resolutions are proposed and seconded by the shareholders and then voted on by way of poll in the manner prescribed under the HK Listing Rules and the Bursa Securities Listing Requirements. The chairman of the meeting will declare the results of the voting on each resolution.

At the 29th AGM of the Company held on 14 August 2019, 7 directors were present in person to engage directly with the shareholders, and be accountable for their stewardship of the Company. The Company had appointed Tricor Investor & Issuing House Services Sdn Bhd as the Poll Administrator to conduct the polling process, and Coopers Professional Scrutineers Sdn Bhd as the independent Scrutineer to verify the poll results.

The attendance record of directors at the general meeting for the financial year ended 31 March 2020 is set out on page 48.

Procedures of Raising Enquiries

The Company welcomes inquiries and feedbacks from shareholders and stakeholders. Shareholders may direct their questions in respect of their shareholdings to the Company's branch share registrars set out below:

(a) Malaysia: Tricor Investor & Issuing House Services Sdn Bhd, Unit 32–01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, or

(b) Hong Kong: Tricor Tengis Limited, Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.

All queries and concerns regarding the Group may be emailed to corpcom@mediachinese.com or conveyed to the directors at the following addresses:

(a) Malaysia head office: No. 78, Jalan Universiti, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia, or

(b) Hong Kong head office: 15th Floor, Block A, Ming Pao Industrial Centre, 18 Ka Yip Street, Chai Wan, Hong Kong.

Corporate Governance Overview Statement

Implications of the Company's Dual Primary Listings Status on the Investors

The Company is dual-listed on the Main Board of the HK Stock Exchange and the Main Market of Bursa Securities. As a result, shareholders of the Company are entitled to trade the Company's shares on both the HK Stock Exchange and Bursa Securities. Shareholders need to comply with the relevant procedures for trading and transfer of shares between the two securities exchanges, including:

(i) Trading of the Company's shares

If a shareholder chooses to trade his/her shares in the Company on Bursa Securities, there is a stamp duty of RM1 for RM1,000 or fractional part of value of securities (payable by both buyer and seller) chargeable on the transaction and the maximum stamp duty to be paid is RM200. For the trading in Hong Kong, stamp duty on sale or purchase of the Company's shares is charged at a rate of 0.1% of the amount of the consideration or of its value on every sold note and every bought note together with a transfer deed stamp duty of HK$5. The applicable brokerage and clearing fees would also be payable by the seller and the buyer.

(ii) Transfer of shares from Bursa Securities to the HK Stock Exchange and vice versa

If a shareholder whose shares are deposited in Bursa Malaysia Depository Sdn Bhd (i.e. the central depository of the Bursa Securities) ("Bursa Depository") wishes to withdraw his/her shares from Bursa Depository and deposit them into the Hong Kong securities system for trading in Hong Kong, the share transfer form will be subject to Malaysian stamp duty. The stamp duty payable on such share transfer form is a nominal sum of RM10 on the basis that no beneficial interest passes in such transfer as the transfer is made by a bare trustee (i.e. Bursa Depository) to a beneficiary (i.e. the investor).

For the share transmission between the Hong Kong branch share register and the Malaysian branch share register, a shareholder has to pay administrative fees for registration and issuance of new share certificates to the relevant share registrars .

CONVENING OF SGM UPON REQUISITION BY SHAREHOLDERS

In accordance with Section 74 of the Companies Act 1981 of Bermuda ("Bermuda Companies Act"), a SGM shall be convened upon receipt of a written requisition from a shareholder or shareholders of the Company holding not less than one-tenth (10%) of the Company's paid-up capital carrying the right of voting at general meetings of the Company at the date of deposit of the written requisition.

The written requisition must state the purposes of the meeting (including the resolutions to be considered at the meeting), signed by the requisitionists and deposited at the Company's registered office at Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM10, Bermuda (the "Registered Office") with a copy to one of the head offices of the Company as below for the attention of the Joint Company Secretaries:

(i) Malaysia head office: No. 78, Jalan Universiti, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia, or

(ii) Hong Kong head office: 15th Floor, Block A, Ming Pao Industrial Centre, 18 Ka Yip Street, Chai Wan, Hong Kong (collectively the "Head Offices").

The written requisition may consist of several documents in like form each signed by one or more of the requisitionists. If the directors do not within 21 days from the date of the deposit of the written requisition proceed duly to convene a SGM, the requisitionists, or any of them representing more than one half of the total voting rights of all of them, may themselves convene a SGM, but any SGM so convened shall not be held after the expiration of 3 months from the date of deposit of the written requisition.

PUTTING FORWARD PROPOSALS AT GENERAL MEETINGS

The Bermuda Companies Act allows shareholder(s) to requisition the Company to move a resolution at an AGM of the Company or circulate a statement at any general meeting of the Company.

Pursuant to Sections 79 and 80 of the Bermuda Companies Act, either any number of the registered shareholders holding not less than one-twentieth (5%) of the paid-up capital of the Company carrying the right of voting at general meetings of the Company, or not less than 100 of such registered shareholders, can request the Company in writing to (a) give to shareholders entitled to receive notice of the next general meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting; and (b) circulate to shareholders entitled to receive notice of any general meeting any statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.

The requisition signed by all the requisitionists may consist of several documents in like form, each signed by one or more of the requisitionists; and it must be deposited at the Registered Office with a copy to one of the Head Offices of the Company for the attention of the Joint Company Secretaries with a sum reasonably sufficient to meet the Company's relevant expenses, not less than 6 weeks before the meeting in case of a requisition requiring notice of a resolution or not less than 1 week before the meeting in the case of any other requisition.

Provided that if, after a copy of the requisition requiring notice of a resolution has been deposited at the Registered Office with a copy to one of the Head Offices of the Company, an AGM is called for a date 6 weeks or less after the copy has been deposited, the copy though not deposited within the above-mentioned time shall be deemed to have been properly deposited for the purposes thereof.

With respect to proposing a person for election as a director, the procedures are accessible on the Company's website at www.mediachinesegroup.com.

ADDITIONAL COMPLIANCE INFORMATION

1. Utilisation of Proceeds

There were no proceeds raised from corporate proposals during the year ended 31 March 2020.

2. Material Contracts

There were no material contracts of the Company and its subsidiaries (not being contracts entered into in the ordinary course of business) involving directors' and major shareholders' interests, either still subsisting at 31 March 2020 or entered into since the end of the previous financial year.

3. Audit and Non-Audit Fees

For the financial year ended 31 March 2020, PricewaterhouseCoopers and its other member firms provided the following audit and non-audit services to the Group:

	Group	Company
	US$'000	US$'000
Audit services	510	184
Non-audit services	51	–

The fees for audit and non-audit services provided by other external auditors and their affiliated companies to the subsidiaries of the Company amounted to nil and US$26,000 respectively.

4. Recurrent Related Party Transactions of a Revenue or Trading Nature (As Defined under Paragraph 10.09 of the Bursa Securities Listing Requirements) for the Financial Year Ended 31 March 2020

				Transacted value	
					Equivalents in
No.	Related parties	Contracting parties	Nature of transactions	RM'000	US$'000
1.	Tiong Toh Siong & Sons Sendirian Berhad ("TTS&S")	Mulu Press Sdn Bhd ("MPSB")	MPSB's tenancy of various properties from TTS&S as landlord	30	7
	Nature of relationship: Tan Sri Datuk Sir TIONG Hiew King ("TSTHK") is a major shareholder and a director of TTS&S. He is a major shareholder of the Company (the ultimate holding company of MPSB). Ms TIONG Choon is both a shareholder and a director of the Company. She is a director of TTS&S and MPSB.				
2.	Rimbunan Hijau Holdings Sdn Bhd ("RHH")	MPSB	MPSB's tenancy of various properties from RHH as landlord	70	17
	Nature of relationship: Teck Sing Lik Enterprise Sdn Bhd ("TSL") is a major shareholder of RHH and the Company. TSTHK is both a major shareholder and a director of TSL and RHH. He is a major shareholder of the Company (the ultimate holding company of MPSB). Dato' Sri Dr TIONG Ik King is both a major shareholder and a director of the Company. He is also a major shareholder of RHH. Ms TIONG Choon is both a shareholder and a director of the Company. She is a director of MPSB.				
3.	CH Yeoh & Yiew	the Group	Provision of legal services from CH Yeoh & Yiew to the Group	405	98
	Nature of relationship: Mr. Liew Peng Chuen is a director of Sin Chew and an associate of CH Yeoh & Yiew.				
4.	Momawater Sdn Bhd ("Momawater)	the Group	Purchase of drinking water from Momawater	5	1
	Nature of relationship: Momawater is a wholly-owned subsidiary of Subur Tiasa Holdings Berhad. TSTHK is a major shareholder of the Company. He is also a substantial shareholder of Subur Tiasa Holdings Berhad.				

Corporate Governance Overview Statement

No.	Related parties	Contracting parties	Nature of transactions	Transacted value RM'000	Equivalents in US$'000
5.	Everfresh Dairy Products Sdn Bhd ("Everfresh")	MPSB	MPSB's tenancy of office at Lot 1054, Block 31, Kemena Commercial Centre, Jalan Tanjung Batu, 97000 Bintulu, Sarawak, Malaysia from Everfresh as landlord	6	1
	Nature of relationship: TSL is a major shareholder of Everfresh and the Company. Tiong Toh Siong Enterprises Sdn Bhd ("TTSE") is a major shareholder of Everfresh and, pursuant to the Malaysian Companies Act 2016, a substantial shareholder of the Company. TSTHK is both a major shareholder and a director of Everfresh, TTSE and TSL. TSTHK is a major shareholder of the Company (the ultimate holding company of MPSB). Dato' Sri Dr TIONG Ik King is both a major shareholder and a director of the Company. He is also a major shareholder of TTSE. Ms TIONG Choon is both a shareholder and a director of Everfresh and the Company. She is a director of MPSB.				
6.	Evershine Agency Sdn Bhd ("EA")	MPSB	MPSB purchases motor vehicle insurance from EA	3	1
	Nature of relationship: Rimbunan Hijau (Sarawak) Sdn Bhd ("RHS") is a shareholder of the Company and a major shareholder of EA. Pertumbuhan Abadi Asia Sdn Bhd ("PAA") is a major shareholder of RHS and a shareholder of the Company. TSL is a major shareholder of RHS and the Company. TTSE is a major shareholder of RHS and, pursuant to the Malaysian Companies Act 2016, a substantial shareholder of the Company. TSTHK is a major shareholder of EA and the Company (the ultimate holding company of MPSB). He is both a major shareholder and a director of RHS, PAA, TSL and TTSE. Dato' Sri Dr TIONG Ik King is both a major shareholder and a director of the Company. He is a major shareholder of TTSE and, pursuant to the Malaysian Companies Act 2016, a substantial shareholder of EA. Ms TIONG Choon is both a shareholder and a director of the Company. She is a director of MPSB.				
7.	R. H. Tours & Travel Agency Sdn Bhd ("RHTT")	the Group	Purchase of air-tickets from RHTT	40	10
	RHS is a shareholder of the Company and a major shareholder of RHTT. PAA is a major shareholder of RHS and a shareholder of the Company. TSL is a major shareholder of RHS and the Company. TTSE is a major shareholder of RHS and, pursuant to the Malaysian Companies Act 2016, a substantial shareholder of the Company. TSTHK is both a major shareholder and a director of RHTT, RHS, PAA, TSL and TTSE. He is a major shareholder of the Company. Dato' Sri Dr TIONG Ik King is both a major shareholder and a director of the Company. He is a major shareholder of TTSE and a shareholder of RHTT. Ms TIONG Choon is both a shareholder and a director of the Company. She is a director of RHTT.				
8.	R H Bee Farms Sdn Bhd ("RHBFSB")	the Group	(i) Purchase of honey	–	–
			(ii) Commission receivable from sale of honey	2	1
	Nature of relationship: TSTHK is both a major shareholder and a director of RHBFSB. He is a major shareholder of the Company. Ms TIONG Choon is both a shareholder and a director of the Company. She is a director of RHBFSB.				
9.	Web Technology Center Sdn Bhd ("WTC")	Sin Chew	Provision of engineering professional services by WTC to Sin Chew	160	39
	Nature of relationship: Mr NG Kait Leong is a director of some of the subsidiaries of the Company. He is both a major shareholder and a director of WTC.				

Corporate Governance Overview Statement

No.	Related parties	Contracting parties	Nature of transactions	Transacted value HK$'000	Equivalents in US$'000
10	Cheerhold (H.K.) Limited ("Cheerhold")	Charming Holidays Limited ("Charming")	Provision of services such as air tickets and accommodation arrangement services by Charming to Cheerhold	–	–
	Nature of relationship: Charming is a wholly-owned subsidiary of the Company. TSTHK is a major shareholder of the Company. Dato' Sri Dr TIONG Ik King is both a major shareholder and a director of the Company. A sister-in-law of both TSTHK and Dato' Sri Dr TIONG Ik King is the ultimate sole shareholder of Cheerhold.				
11.	TTS&S	Charming	Provision of services such as air tickets and accommodation arrangement services by Charming to TTS&S	–	–
	Nature of relationship: Charming is a wholly-owned subsidiary of the Company. TSTHK is both a major shareholder and a director of TTS&S. He is also a major shareholder of the Company. Ms TIONG Choon is both a shareholder and a director of the Company. She is a director of TTS&S.				
12.	Narong Investments Limited ("Narong")	Ming Pao Holdings Limited ("MPH")	MPH's tenancy of premises at Flat A, 15th Floor, Marigold Mansion, Taikoo Shing, Hong Kong	534	68
	Nature of relationship: MPH is a wholly-owned subsidiary of the Company. TSTHK is a major shareholder of the Company. Dato' Sri Dr TIONG Ik King is both a major shareholder and a director of the Company. A sister-in-law of both TSTHK and Dato' Sri Dr TIONG Ik King is the major shareholder of Narong. Dato' Sri Dr TIONG Ik King is also a director of Narong and MPH.				

CONSTITUTIONAL DOCUMENTS

During the year under review, there was no change in the Company's Memorandum of Association and Bye-Laws except for the amendments (as set out in Appendix IV of the circular to shareholders dated 12 July 2019) that streamlined the Bye-Laws with the revised Bursa Securities Listing Requirements, and be consistent with the prevailing laws, guidelines or requirements of the relevant authorities.

The amendments had been submitted for shareholders' approval at AGM 2019 and were duly passed as a special resolution. A copy of the latest consolidated version of the Memorandum of Association and Bye-Laws is accessible on the Company's website at www.mediachinesegroup.com.

This Corporate Governance Overview Statement was approved by the Board on 24 June 2020.

Statement of Directors' Responsibilities in relation to the Financial Statements

The directors are responsible for ensuring that the financial statements of the Company and of the Group are prepared in accordance with International Financial Reporting Standards and the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622). The directors are also responsible for ensuring that the financial statements of the Company and of the Group are prepared with reasonable accuracy so as to give a true and fair view of the financial position of the Company and of the Group as at 31 March 2020, and of the Group's profit or loss and cash flows for the year then ended.

In preparing the financial statements of the Company and of the Group for the financial year ended 31 March 2020, the directors have:

— complied with all relevant accounting standards and regulatory disclosure requirements;

— made judgements and estimates that are reasonable and prudent;

— applied appropriate and relevant accounting policies consistently; and

— prepared the financial statements on the going concern basis.

The directors are committed to taking reasonable steps in safeguarding the assets of the Company and of the Group, preventing and detecting fraud and other irregularities.

Statement on Risk Management and Internal Control

INTRODUCTION

This Statement on Risk Management and Internal Control (this "Statement") is made pursuant to Paragraph 15.26(b) of the Bursa Securities Listing Requirements with reference to the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers. It is also made in accordance with the Hong Kong Code contained in Appendix 14 of the HK Listing Rules. The Board remains committed to maintaining a sound risk management and internal control system to manage risks and safeguard shareholders' investments and the Group's assets.

BOARD RESPONSIBILITY

The Board affirms its overall responsibility in establishing a sound risk management framework and internal control system for the Group as well as reviewing its adequacy and effectiveness. The Board is of the view that the risk management framework and internal control systems are designed to manage and mitigate the Group's risks within the acceptable risk parameters, rather than to eliminate all risks of failure to achieve business objectives.

In view of the inherent limitations in any system, such system can only provide reasonable but not absolute assurance against material misstatements, losses, frauds, breaches of laws and regulations, and unforeseen emerging risks.

RISK MANAGEMENT FRAMEWORK

The Group has established appropriate control structure and systematic process for identifying, evaluating, monitoring and managing significant risks pertinent to the achievement of its overall corporate objectives throughout the year. This process is regularly reviewed by the Board.

The Audit Committee assists the Board in (i) reviewing the adequacy and effectiveness of the Group's risk management and internal control systems; (ii) reviewing management's identification of the significant risks in accordance with the Group's risk management policy; and (iii) reporting to the Board of any significant failures or potential breaches of the Group's risk management policy.

The Group Executive Committee ensures on behalf of the Board that business risks are identified, assessed, managed and monitored across the businesses of the Group. The Group Executive Committee reports quarterly to the Board on changes in the risk landscape and developments in the management of principal risks.

The Group Executive Committee has established two separate Risk Management Committees ("RMC"), one in Malaysia and one in Hong Kong, to oversee and drive improvement in risk management.

The two RMCs are responsible for overseeing the implementation of the risk management framework, reviewing the risk management processes periodically and ensuring that on-going measures taken are adequate to manage, address or mitigate the risks identified.

The same principle applies to the Risk Management Units ("RMU"), where risk monitoring accountability rests with the respective subsidiaries within the Group. The RMU comprises key management staff from each division within the operating company.

RISK MANAGEMENT PROCESS

The risk management process is cascaded through the Group. All key management, heads of subsidiary companies and heads of departments have to identify, evaluate and manage risks associated with the business operations on an on-going basis with defined parameters, and record the identified risks in the risk registers. It is mandatory for this process to take place at least once a year.

For each risk identified, the management will assess the root causes, consequences and mitigating controls. An assessment is then made taking into account the probability of the risk occurring and the impact before and after mitigating controls. The content of the risk register is determined through review by the RMU and discussions with senior management.

At each RMU meeting, the overall risk profile of the operating company is assessed, significant risks are identified, the risk register is updated and action plans for mitigation are prepared. A risk assessment report comprising the action plans on significant risks is tabled to the RMC. The deliberation of risks and related mitigating responses are carried out at regular management meetings of the operating companies.

In essence, risks are dealt with and contained at the respective subsidiaries, and are communicated upwards to the Board via the RMC and the Group Executive Committee.

The Group Executive Committee is assisted by the Risk Coordinators (RCs) in Hong Kong and Malaysia, who act as the Group's focal points for all risk management activities within their respective regions.

PRINCIPAL RISKS AND UNCERTAINTIES

The table below lists the principal risks and uncertainties that the Board considers relevant to the Group's business and highlights the mitigating actions that are being taken. However, this is not an exhaustive list of all relevant risks and uncertainties. Other factors besides those listed could also affect the Group and give rise to material consequences.

Nature of risk	**Macroeconomic risk** Outlook for the coming year is expected to be cloudy as we brace for recession globally. The impact of the COVID-19 pandemic is widespread and present significant uncertainties and downside risks. Until the outbreak is deemed controllable and the current lockdown measures are gradually lifted, we foresee an inevitable significant adverse impact on the Group's profitability.
Mitigating actions	• Streamlining business process for cost optimisation. • Creating and remodelling products which meet the needs of customers. • Adopting prudent financial management practices. • Closely monitoring economic situation by way of regular analysis of business performance through financial results and key performance indicators to highlight early trends and impacts from economic uncertainty.

Nature of risk

Market disruption

The Group operates in a highly competitive industry, the advent of new technologies and increase number of digital media options available have adversely affect the Group's business, results of operation and financial condition.

The widespread COVID-19 outbreak and the ensuing mass lockdown, quarantine, and travel bans have significant adverse impact on the Group's business operations, especially its travel business.

Adding to this, the COVID-19 is disrupting the advertising industry due to the cancellation of major advertising events and spending.

The Group's financial performance could be materially impacted if travel restrictions and virus concerns continue for an extended period of time.

Mitigating actions

- On-going investment in digital offerings.
- Creating quality content to enhance competitiveness and attractiveness to readers and advertisers.
- Responding to changes in the market place and the needs of readership audience.
- Developing data strategy to support value creation for advertisers.
- Rebalancing our travel destination mix and adding new tour destinations to our portfolio, thereby mitigating the impact of adverse events.

Nature of risk

Business interruption

The Group may experience a significant loss of production capability during a disaster scenario which could severely impact revenue and lead to increased costs.

Adding to this, the Group could be exposed to the risk of health and safety incident that results in the injury or death of customers or employees would have negative impact on our business operation and reputation.

Mitigating actions

- Individual Production Recovery Plans and IT critical system data back-up plans are in place.
- We are maintaining adequate IT systems to secure business and customer data, and protect from deliberate theft of sensitive information, loss of service and cybercrime.
- We have crisis management framework in which can be activated in the event of a crisis or disaster.
- Our IT standards and policies are in line with appropriate best practices.
- We maintain our press and critical operating systems regularly in order to minimise any disruptions to our critical business activities.
- We actively monitor health and safety incidents reported to us to ensure that we address the cause, and put in place effective preventive measure to minimise the health and safety risk.

Nature of risk	**Non-compliance with laws and regulations** The Group operates across a number of markets and jurisdictions which expose it to a range of legal, tax and other regulatory laws that must be complied with. Adding to this, the increasing corporate governance requirements in each operating regions require more focus and resources to ensure that the Group is compliant with all applicable laws and regulations. The Group's failure or inability to comply with laws and regulations in the markets in which it operates could have material adverse effects on the Group's business.
Mitigating actions	In order to ensure compliance with all relevant laws and regulations, the Group has implemented compliance frameworks which involve the Group's company secretaries, legal and editorial departments to monitor the level of compliance and minimise any lapses.

INTERNAL AUDIT

The mission of the Internal Audit Function is to enhance and protect organisational value of the Group by providing risk-based and objective assurance, advice and insight. The Internal Audit Function helps the Group in accomplishing its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, controls and governance processes.

The Internal Audit Function reviews the adequacy and effectiveness of the Group's risk management and internal control systems based on its annual audit plan approved by the Audit Committee. This provides reasonable assurance to the Board that risk management and internal control processes are in place and operating satisfactorily. For any significant gaps identified, Internal Audit Function provides recommendations to management to improve the design, process and procedures where applicable.

OTHER INTERNAL CONTROL PROCESSES

Apart from the above, the other key features of the Group's internal control systems are as follows:

- The Group has established an organisation structure with clearly defined lines of responsibilities, authority limits and accountability aligned to businesses and operations requirements;
- Relevant executive directors and senior management have been delegated with specific authorities and responsibilities for monitoring the performance of designated business operating units;
- The Board reviews and approves the Group's annual business plans and budgets. The Group's senior management meets on a monthly basis with operating companies' management to review their businesses and financial performances against the business plans and approved budgets. Key business risks relevant to each operating company are also reviewed in these meetings;
- Explanations on actual performance and significant variances against budgets are provided to the Board on a quarterly basis. This helps the Board and senior management monitor the Group's business operations and plan on a timely basis to suit the changes in business environment;
- Each operating company maintains internal controls and procedures appropriate to its structure and business environment whilst complying with the Group's policies, standards and guidelines;

- The Group maintains appropriate insurance programmes in order to provide sufficient insurance coverage on its major assets and against libel suits that could result in material loss. The insurance brokers assist management in conducting a yearly risk assessment on the Group's operations, which helps the Group in assessing the adequacy of the insurance coverage;

- The Board reviews all areas of significant financial risk and approves all significant capital projects and investments after detailed review and consideration;

- The Group has established IT Services Continuity Plans in key business units primarily aimed to handle potential IT service interruptions;

- The Group has established a Crisis Management Team in a key business unit to manage and handle significant risks or crisis faced by the business unit;

- The treasury department manages the cash balances and exposure to currency transaction risks through treasury policies, risk limits and monitoring procedures;

- Code of ethics are established and adhered to by all employees to ensure high standards of conduct and ethical values in all business practices; and

- The legal department monitors compliance with relevant laws and regulations which govern the Group's businesses.

WHISTLEBLOWING POLICY

The Group has a whistleblowing policy approved by the Board. The policy outlines the Group's commitment towards enabling its employees as well as any third party who is not an employee to raise concerns include but not limited to the Group's malpractices, wrongdoings or improprieties in financial reporting, accounting, auditing, internal controls, bribery or corruptions, sexual harassment, breach of confidentiality, breach of the Group's policies or failure to comply with legal or regulatory requirements. Proper arrangements have been put in place for fair and independent investigation of such matters and for appropriate follow-up actions. All matters reported will be investigated and handled with strict confidentiality. The effectiveness of this policy is monitored and reviewed regularly by the Audit Committee.

REVIEW OF ADEQUACY AND EFFECTIVENESS

The Board has reviewed the adequacy and effectiveness of the Group's risk management framework and internal control activities to ensure that necessary actions have been or are being taken to rectify inadequacy or weaknesses identified during the year.

The Board has also received reasonable assurance from the Group CEO and Head of Finance that the Group's system of risk management and internal control, in all material aspects, is operating adequately and effectively. For the financial year under review and up to the date of this Statement, there were no material control failures or adverse compliance events that have directly resulted in any material loss to the Group.

In this connection, the Board concludes that an effective system of risk management and internal control is in place to safeguard the shareholders' investment and the Group's assets.

REVIEW OF THIS STATEMENT BY THE EXTERNAL AUDITOR

The external auditor has reviewed this Statement for inclusion in the Group's Annual Report for the financial year ended 31 March 2020. The external auditor has reported to the Board that nothing has come to its attention that causes it to believe that this Statement is inconsistent with its understanding of the process adopted by the Board in reviewing the adequacy and integrity of the Group's system of risk management and internal control.

This Statement on Risk Management and Internal Control was approved by the Board on 24 June 2020.

Audit Committee Report

The Board is pleased to present the Audit Committee Report for the financial year ended 31 March 2020.

COMPOSITION AND ATTENDANCE

The Audit Committee comprises three members who are all independent non-executive directors and each of whom satisfies the "independence" requirements contained in both the HK Listing Rules and the Bursa Securities Listing Requirements. No alternate director is appointed as a member of the Audit Committee. The Audit Committee Chairman, Mr YU Hon To, David, is a Fellow of the Institute of Chartered Accountants in England and Wales and an Associate of the Hong Kong Institute of Certified Public Accountants. Accordingly, the Company has complied with paragraph 15.09 of the Bursa Securities Listing Requirements.

Details of the composition of the Audit Committee and the attendance of each member during the year are set out below:

Name of member	Number of meetings attended	Percentage of attendance (%)
Mr YU Hon To, David *(Chairman)*	4/4	100%
Datuk CHONG Kee Yuon	4/4	100%
Mr KHOO Kar Khoon	4/4	100%

Through an annual Board Committee effectiveness assessment, the Board is satisfied that the Audit Committee and its members have discharged their duties and responsibilities in accordance with their terms of reference.

MEETINGS

The Audit Committee held a total of four meetings during the year. The meetings were appropriately structured through the use of agendas, which had been distributed to the members with sufficient notification. The Group CEO, the relevant executive directors, Head of Internal Audit, external auditor and senior finance executives who were responsible for the accounting and financial reporting function also attended the meetings and briefed the Audit Committee on specific issues.

The meetings were minuted and tabled for confirmation at the next Audit Committee meeting and subsequently presented to the Board for notation. The Chairman of the Audit Committee would provide a report highlighting significant issues and recommendations to the Board for consideration and decision.

All members of the Audit Committee have and will continue to undertake professional development to keep themselves abreast of relevant developments in accounting and auditing standards, corporate governance practices and rules. Details of the training programmes and seminars attended by the members are set out on page 51 of this Annual Report.

TERMS OF REFERENCE

The terms of reference of the Audit Committee are available on the Company's website at www.mediachinesegroup.com.

Audit Committee Report

SUMMARY OF ACTIVITIES

Below is a summary of the Audit Committee's activities in discharging its functions and duties for the year under review:

Financial Reporting

(a) Reviewed the Group's unaudited quarterly financial reports, including the press releases and announcements, focusing particularly on changes in accounting standards, significant and unusual matters, compliance with accounting standards and other statutory and regulatory requirements before recommending to the Board for approval and public release.

The Group's unaudited quarterly financial reports for the fourth quarter of 2018/2019 and for the first, second, third and fourth quarters of 2019/2020 were reviewed at the Audit Committee meetings on 23 May 2019, 28 August 2019, 22 November 2019, 25 February 2020 and 22 June 2020 respectively.

(b) Reviewed the annual financial statements of the Group with the external auditor prior to submission to the Board for approval. The Audit Committee deliberated the significant judgements with management and significant matters highlighted by the external auditor on accounting and auditing matters.

(c) Reviewed the Group's annual report for the financial year ended 31 March 2019, interim report for the six months ended 30 September 2019 and annual report for the financial year ended 31 March 2020 at the Audit Committee meetings on 23 May 2019, 22 November 2019 and 22 June 2020 respectively, prior to submission to the Board for approval.

(d) Reviewed the going concern basis applied for preparing the Group's consolidated financial statements. The Audit Committee's assessment was based on reports by management and took note of the principal risks and uncertainties, the Group's existing financial position, its financial resources, capital expenditures and expectation for future performance.

Internal audit

(a) Reviewed and approved the risk-based annual internal audit plan and budget for the financial year ended 31 March 2020 on 28 August 2019. The annual plan was developed through a comprehensive planning process to ensure the principal risk areas were adequately covered in the plan.

(b) Reviewed and deliberated on issues highlighted by the Internal Audit Function on effectiveness and adequacy of governance, risk management, operational and compliance processes.

(c) Reviewed the recommendations by the Internal Audit Function and appraised the corrective actions taken by management in resolving the audit issues reported as well as ensuring that all issues were adequately addressed on a timely basis.

(d) Reviewed the adequacy of resources required and competency of the Internal Audit Function to execute the audit plan.

External audit

(a) Reviewed with the external auditor the audit plan, strategy and scope of statutory audit of the Group's consolidated financial statements for the financial year ended 31 March 2020 on 22 November 2019.

(b) Reviewed the audit findings and issues arising from the annual audit together with management's response to the findings of the external auditor.

On 22 June 2020, the Audit Committee reviewed the external auditor's report with regard to the key audit matter and other relevant disclosures in the annual financial statements for the financial year ended 31 March 2020.

(c) Reviewed the audit fees proposed by the external auditor together with management and recommended the negotiated fees agreed with the external auditor to the Board for approval.

(d) Assessed the qualification, expertise, resources and effectiveness of the external auditor.

(e) Reviewed the performance and assessed the independence, objectivity and suitability of the external auditor and the services provided, including non-audit services. Non-audit fees totaling US$51,000 were paid to the external auditor and its other member firms for the financial year ended 31 March 2020 for the corporate tax advisory services provided.

(f) Reviewed the written assurance from the external auditor on 22 November 2019 to confirm on its independence throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

(g) Had two private meetings with the external auditor on 22 November 2019 and 22 June 2020 respectively, in the absence of the executive directors and management, to discuss matters concerning audit and financial statements. The Audit Committee also enquired on the proficiency and adequacy of resources in the financial reporting functions, evaluation of the internal control system and any other observations they may have had during the audit process.

Risk Management

(a) Reviewed the adequacy and effectiveness of the risk management system.

(b) Reviewed the risk assessment reports submitted by the Group Executive Committee on key risks faced by the Group. Significant risk issues were summarised and communicated to the Board.

(c) Reviewed the risk assessment reports and risk management activities of the Group.

Related party transactions

(a) Reviewed the related party transactions and recurrent related party transactions (or continuing connected transactions) entered into by the Group on quarterly basis and ensured all transactions were carried out on an arm's length basis and on normal commercial terms.

(b) Reviewed the circular to shareholders in respect of the proposed shareholders' mandate for recurrent related party transactions.

Audit Committee Report

Others

(a) Reviewed the Audit Committee Report, Corporate Governance Overview Statement and Statement on Risk Management and Internal Control for inclusion in the Annual Report 2019/20.

(b) Received and reviewed updates on the arrangement (including investigation and follow-up action) for employees of the Group to raise concerns about possible improprieties in financial reporting, internal controls or other matters through the Whistle blowing Policy adopted by the Group.

(c) Reviewed the training programs for staff in the Group's accounting, internal audit and financial reporting functions.

INTERNAL AUDIT FUNCTION

The Audit Committee is supported by the Internal Audit Function in discharging its duties and responsibilities. The Internal Audit Function, being the third line of defence, provides independent assessments on the adequacy and effectiveness of governance, risk management and internal control processes of the Group. The Audit Committee approved the Internal Audit Charter, which sets out its role, scope, authority and responsibility to ensure the Internal Audit Function is independent and able to function effectively.

The Internal Audit Function reports functionally to the Audit Committee. The Audit Committee reviewed the adequacy of scope, functions, competency and resources of the Internal Audit Function during the year. Further information on resources, objectivity and independence of the Internal Audit Function are provided in the Corporate Governance Overview Statement in accordance with Practice 10.2 of the Malaysian Code.

The Internal Audit Function adopts a risk-based methodology in planning and conducting audits so that relevant controls addressing key risks areas are identified and assessed on a timely basis. Audit engagements are performed with impartiality, proficiency and due professional care. Internal audit reports were presented to the Audit Committee incorporating the findings, recommendations and management's responses to the findings. The relevant management members were made responsible for ensuring that corrective actions on reported weaknesses were implemented within the required timeframe. The Internal Audit Function carries out follow-up reviews to obtain updates on the progress of the remedial actions and reports the status to the Audit Committee. During the financial year ended 31 March 2020, the Internal Audit Function reviewed the Group's newspapers sales activities, payment and collection.

The related party transactions and recurrent related party transactions (or continuing connected transactions) entered into by the Group were reviewed by the Internal Audit Function on a quarterly basis.

The total costs incurred for the Internal Audit Function of the Group for the financial year ended 31 March 2020 were approximately US$153,000.

This Audit Committee Report was approved by the Board on 24 June 2020.

Report of the Directors

The directors submit their report together with the audited financial statements of the Group for the year ended 31 March 2020.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of its subsidiaries are the publishing, printing and distribution of newspapers, magazines, books and digital contents primarily in the Chinese language, and the provision of travel and travel related services in Hong Kong, Taiwan, North America, Malaysia and other Southeast Asian countries.

The activities of the Company's principal subsidiaries are set out in Note 39 to the financial statements.

An analysis of the Group's performance for the year by operating segment is set out in Note 5 to the financial statements.

BUSINESS REVIEW

The business review of the Group for the year ended 31 March 2020 is set out in the sections headed "Chairman's Statement", "Management Discussion and Analysis", "Sustainability Report", "Corporate Governance Overview Statement", "Statement on Risk Management and Internal Control" and "Five-Year Financial Summary" on pages 12 to 14, pages 15 to 17, pages 28 to 44, pages 45 to 66, pages 68 to 72 and page 171 respectively.

RESULTS AND APPROPRIATIONS

The results of the Group for the year are set out in the consolidated statement of profit or loss on page 90.

A first interim dividend in respect of the current year of US0.16 cents (2018/2019: US0.18 cents) per ordinary share totaling US$2,700,000 (2018/2019: US$3,037,000) was paid on 30 December 2019.

On 24 June 2020, the Board declared a second interim dividend of US0.10 cents (2018/2019: US0.10 cents) per ordinary share in lieu of a final dividend for the year ended 31 March 2020, totaling US$1,687,000 (2018/2019: US$1,687,000), payable on 30 July 2020.

Further details of the dividends of the Company are set out in Note 14 to the financial statements.

DONATIONS

Charitable and other donations made by the Group during the year amounted to approximately US$1,000.

SHARES ISSUED DURING THE YEAR

The Company has not issued any shares during the year ended 31 March 2020. Details of the share capital information of the Company are set out in Note 31 to the financial statements.

DISTRIBUTABLE RESERVES

Distributable reserves of the Company at 31 March 2020, calculated under the Companies Act 1981 of Bermuda, amounted to US$194,750,000 (2019: US$196,724,000).

Report of the Directors

RELATIONSHIPS WITH EMPLOYEES, SUPPLIERS AND OTHER STAKEHOLDERS

The Group understands that it is important to maintain a good relationship with its suppliers and customers. The management will continue to deliver quality services to its customers. During the year, there was no material and significant dispute between the Group and its suppliers, customers and other stakeholders. The Group also recognises the importance of human resources to its success.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to the long term sustainability of the environment and communities in which it operates. The Group has disclosed further details in the Sustainability Report on pages 28 to 44 of this Annual Report in accordance with the requirement of Rule 13.91 and the reporting framework of Appendix 27 of the Listing Rules, and Paragraph 29, Part A of Appendix 9C of the Main Market Listing Requirements.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last 5 financial years is set out on page 171.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries had purchased, sold or the Company had redeemed any of the Company's listed securities during the year.

DIRECTORS

The directors during the year and up to the date of this report were:

Non-executive Director

Dato' Sri Dr TIONG Ik King *(Non-executive Chairman)*

Executive Directors

Ms TIONG Choon
Mr TIONG Kiew Chiong *(Group Chief Executive Officer)*
Mr LEONG Chew Meng

Independent Non-executive Directors

Mr YU Hon To, David
Datuk CHONG Kee Yuon
Mr KHOO Kar Khoon

In accordance with Bye-Law 99(A) of the Company's Bye-Laws, Ms TIONG Choon, Mr TIONG Kiew Chiong, and Datuk CHONG Kee Yuon will retire by rotation at the forthcoming annual general meeting and, being eligible, offer themselves for re-election. In addition, Dato' Sri Dr TIONG Ik King, being the Chairman of the Board, shall be subject to and offer himself for re-election at the forthcoming annual general meeting.

In addition, pursuant to Practice 4.2 of the Malaysian Code on Corporate Governance 2017, the retention of Mr YU Hon To, David, who has served the Company for more than 9 years as an INED, shall be subject to shareholders' approval at the forthcoming annual general meeting.

The Company has received from each of the INEDs a written annual confirmation of independence pursuant to Rule 3.13 of the HK Listing Rules and Paragraph 1.01 of the Bursa Securities Listing Requirements and considers all the INEDs to be independent.

Report of the Directors

COMPETING BUSINESS

Set out below is information disclosed pursuant to Rule 8.10 of the HK Listing Rules.

Dato' Sri Dr TIONG Ik King is a substantial shareholder and a director of the Company, and holds directorships and/or ownerships in Pacific Star Limited and R.H. Tours & Travel Agency Sdn Bhd. In addition, Ms TIONG Choon is a director of the Company and R.H. Tours & Travel Agency Sdn Bhd. She has deemed interest in Pacific Star Limited by virtue of her shareholdings in Sin Chew Press Agencies Sdn Bhd. Pacific Star Limited is engaged in the business of newspapers publishing in Papua New Guinea. R.H. Tours & Travel Agency Sdn Bhd is engaged in the travel and travel related services business in Malaysia. As the Board of Directors of the Company is independent of the boards of the aforesaid companies, the Group operates its business independently of, and at arm's length from, the businesses of the aforesaid companies.

Dato' Sri Dr TIONG Ik King has deemed interest in One Media, a subsidiary of the Company which is listed on the HK Stock Exchange. In addition, Ms TIONG Choon and Mr TIONG Kiew Chiong are directors of the Company and One Media. One Media Group is engaged in media business in Hong Kong and Taiwan, including but not limited to magazine publishing and digital media business. As the contents and demographic readership of the publications of the Group and those of One Media Group are different, the directors consider that there is a clear delineation and no competition between the businesses of the Group and One Media Group and that the Group is carrying on its business independently of, and at arm's length from, One Media Group.

Save as disclosed above, none of the directors of the Company has any interest in a business which competes or is likely to compete with the business of the Group during the year.

DIRECTORS' SERVICE CONTRACTS

Each of the directors has entered into an appointment letter with the Company for a term of 2 years commencing from 1 April 2020 until 31 March 2022, except for Mr LEONG Chew Meng and Ms TIONG Choon whose appointment with the Company commenced from 1 April 2019 to 31 March 2021, and Mr YU Hon To, David for a term of 1 year commencing from 1 April 2020 to 31 March 2021.

Save as disclosed above, none of the directors who are proposed for re-election at the forthcoming annual general meeting have service contracts with the Company or any of its subsidiaries which are not determinable by the Group within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed in the Corporate Governance Overview Statement under "Material Contracts" and "Recurrent Related Party Transactions of a Revenue or Trading Nature" on pages 64 to 66, and in Note 38 to the financial statements "Related Party Transactions", no transactions, arrangements or contracts of significance in relation to the Group's businesses to which the Company, any of its subsidiaries, its holding company or its fellow subsidiaries was a party and in which a director of the Company or his/her connected entities had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATIONS HELD BY DIRECTORS, CHIEF EXECUTIVES AND THEIR ASSOCIATES

As at 31 March 2020, the interests and short positions of the directors, chief executives and their associates in the shares, underlying shares and debentures of the Company or any of its associated corporations (as defined in Part XV of the Hong Kong Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the HK Stock Exchange pursuant to the Model Code are as follows:

(i) Interests and short positions in the shares, underlying shares and debentures of the Company

		Number of ordinary shares				
Name of director	Nature of interests	Held at 1 April 2019	Bought	Sold	Held at 31 March 2020	% of issued shares at 31 March 2020
Dato' Sri Dr TIONG Ik King	Personal interests	20,144,189	10,000,000	–	30,144,189	
	Corporate interests[1]	253,987,700	–	–	253,987,700	
		274,131,889	10,000,000	–	284,131,889	16.84%
Ms TIONG Choon	Personal interests	2,654,593	–	–	2,654,593	
	Family interests[2]	1,023,632	–	–	1,023,632	
	Corporate interests[3]	653,320	–	–	653,320	
		4,331,545	–	–	4,331,545	0.26%
Mr TIONG Kiew Chiong	Personal interests	3,655,539	432,000	–	4,087,539	0.24%
Mr LEONG Chew Meng	Personal interests	80,000	–	–	80,000	–*

All the interests stated above represent long positions in the shares of the Company.

* negligible

Notes:

(1) Conch Company Limited ("Conch") holds 253,987,700 shares of the Company. 40% of the interest in Conch is held by Seaview Global Company Limited, a company jointly owned by Tan Sri Datuk Sir TIONG Hiew King and Dato' Sri Dr TIONG Ik King. In addition, Tan Sri Datuk Sir TIONG Hiew King and Dato' Sri Dr TIONG Ik King directly hold 25% and 22% of the interest in Conch respectively.

(2) Ms TIONG Choon is deemed to be interested in the shares by virtue of her spouse's interest in 1,023,632 shares.

(3) The corporate interests of 653,320 shares are held by TC Blessed Holdings Sdn Bhd, in which Ms TIONG Choon holds 99% equity interest.

(ii) Interests and short positions in the shares, underlying shares and debentures of One Media

		Number of shares			
Name of director	Nature of interests	Held at 1 April 2019	Bought/ (Sold)	Held at 31 March 2020	% of issued ordinary shares of One Media at 31 March 2020
Dato' Sri Dr TIONG Ik King	Corporate interests	292,700,000	–	292,700,000	73.01%
Ms TIONG Choon	Personal interests	26,000	–	26,000	0.01%

All the interests stated above represent long positions in the shares of One Media.

Note:

Dato' Sri Dr TIONG Ik King is deemed interested in the 292,700,000 shares in One Media held by Comwell Investment Limited which is an indirect wholly-owned subsidiary of the Company. Dato' Sri Dr TIONG Ik King is deemed interested in 16.84% of the Company's shares. Details of his shareholdings in the Company are set out in paragraph (i) "Interests and short positions in the shares, underlying shares and debentures of the Company" on page 80.

Save as disclosed above, as at 31 March 2020, none of the directors, chief executives and their associates had any interests and short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (as defined in Part XV of the SFO), which are required to be recorded in the register maintained by the Company under Section 352 of the SFO or as otherwise notified to the Company and the HK Stock Exchange pursuant to the Model Code.

At no time during the year were rights to acquire benefits by means of the acquisition of shares, underlying shares or debentures of the Company granted to any directors or their respective spouses or children under 18 years of age, or were any such rights exercised by them; or was the Company or its holding company or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire such rights in any other body corporate.

Report of the Directors

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 March 2020, the following persons (other than the directors and chief executives of the Company) had interests of 5% or more in the shares of the Company as recorded in the register required to be kept under Section 336 of Part XV of the SFO:

Name of shareholder	Number of shares held	Capacity	Percentage of issued ordinary shares
Tan Sri Datuk Sir TIONG Hiew King	1,094,187,814 *(note 1)*	Beneficial owner, interest of controlled corporation and interest of spouse	64.85%
Tiong Toh Siong Holdings Sdn Bhd ("TTSH")	378,998,616	Beneficial owner	22.46%
Conch Company Limited ("Conch")	253,987,700 *(note 2)*	Beneficial owner	15.05%
Teck Sing Lik Enterprise Sdn Bhd ("TSL")	196,487,646 *(note 3)*	Beneficial owner and interest of controlled corporation	11.65%
Tiong Toh Siong Enterprises Sdn Bhd ("TTSE")	131,168,460 *(note 3)*	Beneficial owner and interest of controlled corporation	7.77%
Kinta Hijau Sdn Bhd ("Kinta Hijau")	129,424,143	Beneficial owner	7.67%

All the interests stated above represent long positions in the shares of the Company.

Notes:

(1) Of these shares, 87,109,058 shares are held by Tan Sri Datuk Sir TIONG Hiew King personally, 234,566 shares are deemed to be interested in by virtue of his spouse's interest, and corporate interests of 1,006,844,190 which comprise:

(i) 253,987,700 shares held by Conch;

(ii) 75,617,495 shares held by Ezywood Options Sdn Bhd ("Ezywood");

(iii) 65,319,186 shares held by TSL;

(iv) 52,875,120 shares held by Madigreen Sdn Bhd ("Madigreen");

(v) 15,536,696 shares held by Rimbunan Hijau (Sarawak) Sdn Bhd ("RHS");

(vi) 6,532,188 shares held by Rimbunan Hijau Southeast Asia Sdn Bhd ("RHSA");

(vii) 26,808,729 shares held by Pertumbuhan Abadi Asia Sdn Bhd ("PAA");

(viii) 378,998,616 shares held by TTSH;

(ix) 1,744,317 shares held by TTSE;

(x) 129,424,143 shares held by Kinta Hijau Sdn Bhd ("Kinta Hijau").

Tan Sri Datuk Sir TIONG Hiew King directly holds 84% interest in TSL and 99.99% interest in PAA. In addition, Tan Sri Datuk Sir TIONG Hiew King, TSL and PAA directly and indirectly hold 52.38% interest in both RHS and RHSA, 75% interest in Madigreen, and 70% interest in Ezywood. Tan Sri Datuk Sir TIONG Hiew King and TSL directly holds 26% interest in TTSH.

(2) The details of shares held by Conch are set out in note to paragraph (i) "Interests and short positions in the shares, underlying shares and debentures of the Company" on page 80.

(3) Of these shares, 129,424,143 shares are held by Kinta Hijau (a company wholly owned by TTSE), TTSE is deemed to be interested in shares in which Kinta Hijau is interested. TTSE holds 1,744,317 shares. TSL is deemed to be interested in shares in which Kinta Hijau and TTSE is interested. Tan Sri Datuk Sir TIONG Hiew King directly holds 84% interest in TSL and TSL directly holds 30% interest in TTSE.

Save as disclosed above and those disclosed under "Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company or any of its Associated Corporations held by Directors, Chief Executives and their Associates", the Company had not been notified of any other persons or corporations who had interests or short positions representing 5% or more of the issued share capital of the Company as at 31 March 2020.

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

Details of the Group's related party transactions for the year ended 31 March 2020 are set out in Note 38 to the financial statements, all of which were carried out in the ordinary course of business and on normal commercial terms and did not constitute discloseable connected transactions or continuing connected transactions (as the case may be) under Chapter 14A of the HK Listing Rules.

MANAGEMENT CONTRACT

No contract concerning the management and administration of the whole or any substantial part of the business of the Group was entered into or existed during the year.

PENSION SCHEME ARRANGEMENT

Hong Kong

The Group operates a hybrid retirement benefit scheme (the "Scheme") and a Mandatory Provident Fund Scheme (the "MPF") for its employees in Hong Kong.

During the year, the Scheme was mainly funded by contributions from both the Group and its employees at 5% each of the monthly basic salaries of the employees. Actual contributions paid by the Group was about 4.5% of the monthly basic salaries of the employees, with the difference being funded by the forfeiture reserve. Forfeited employers' contributions arising from early termination of services by employees are credited to a forfeiture reserve for the purposes of funding the differences in the Group's contributions as aforesaid and for covering any shortfall on the defined benefit plans. The total amount available for such purposes amounted to approximately US$35,000 at 31 March 2020 (2019: approximately US$73,000).

The most recent independent funding actuarial valuation of the Scheme was carried out by Towers Watson Hong Kong Limited, a professionally qualified independent actuary, as at 31 March 2018 (the "Valuation"). According to the Valuation, the Scheme was solvent at the date of the Valuation.

With effect from 1 December 2000, all new employees of the Group are eligible to join the MPF. The Group's contributions to the MPF are at 5% of the employees' relevant income as defined in the Hong Kong Mandatory Provident Fund Schemes Ordinance up to a maximum of HK$1,500 per employee per month (the "MPF Contributions"). The MPF Contributions are fully and immediately vested in the employees as accrued benefit once they are paid.

Report of the Directors

Malaysia

The Group operates 2 types of retirement benefit schemes in Malaysia:

(a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the consolidated statement of profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund.

(b) Defined benefit plans

The Group operates an unfunded defined benefit retirement scheme for its eligible employees in Malaysia (the "Malaysia Scheme"). The Group's obligation under the Malaysia Scheme is calculated using the projected unit credit method, and is determined based on actuarial computations by independent actuaries, through which the amount of benefit that employees have earned in return for their services in the current and prior years is estimated. That benefit is discounted in order to determine its present value.

Other countries

Employees in other countries are under separate pension schemes which are defined contribution plans set up in the countries that the Group operates.

The assets of all retirement plans are held separately from those of the Group in independently administered funds. The defined benefit plans and defined contribution plans are generally funded by payments from the relevant Group companies and/or their respective employees.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, sales to the Group's 5 largest customers accounted for less than 30% of the total sales for the year. The percentage of purchases for the year attributable to the Group's major suppliers are as follows:

— the largest supplier	5%
— 5 largest suppliers combined	22%

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's Bye-Laws and there is no restriction against such rights under the laws of Bermuda.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the directors of the Company, it is confirmed that there is sufficient public float of not less than 25% of the Company's issued shares as at the latest practicable date prior to the issue of this Annual Report, as required under the HK Listing Rules and Bursa Securities Listing Requirements.

PERMITTED INDEMNITY

The Bye-Laws of the Company provide that the directors for the time being of the Company shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they shall or may incur or sustain by reason of any act done, concurred in or omitted in or about the execution of their duty or supposed duty in their respective offices except such (if any) as they shall incur or sustain through their own willful neglect or default respectively.

The Company has taken out insurance against the liability and costs associated with defending any proceedings which may be brought against the directors of the Company and its subsidiaries.

EQUITY-LINKED AGREEMENTS

No equity-linked agreements were entered into during the year and subsisted at the end of the year.

BANK LOANS AND OTHER BORROWINGS

Particulars of bank loans and other borrowings of the Group as at 31 March 2020 are set out in Note 28 to the financial statements.

AUDITOR

The financial statements have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting.

On behalf of the Board

TIONG Kiew Chiong
Director
24 June 2020

Independent Auditor's Report

羅兵咸永道

To the Shareholders of Media Chinese International Limited

(incorporated in Bermuda with limited liability)

OPINION

What we have audited

The consolidated financial statements of Media Chinese International Limited (the "Company") and its subsidiaries (the "Group") set out on pages 90 to 169, which comprise:

- the consolidated statement of financial position as at 31 March 2020;
- the consolidated statement of profit or loss for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter identified in our audit is related to impairment of property, plant and equipment and intangible assets within publishing and printing segment.

Key Audit Matter	How our audit addressed the Key Audit Matter

Impairment of property, plant and equipment and intangible assets within publishing and printing segment
 	
Refer to Note 4 (Critical accounting estimates and judgements), Note 17 (Property, plant and equipment) and Note 20 (Intangible Assets) to the consolidated financial statements.
 	
Management performs assessment whenever events or changes in circumstances indicate that the carrying amounts of property, plant and equipment and intangible assets may not be recoverable. In carrying out the impairment assessment, management identified and determined cash-generating-units ("CGU"s) and performed the assessment for individual CGUs as required by IAS36 "Impairment of assets".
 	
During the year ended 31 March 2020, certain CGUs have either incurred losses which are substantially larger than budgeted losses or have generated profits which are substantially below budget, which represented impairment indicators of the property, plant and equipment and intangible assets within those CGUs. The total property, plant and equipment and intangible assets of those CGUs amounted to US$26,586,000 and US$7,462,000 as at 31 March 2020 respectively. Management carried out the impairment assessment for all those relevant CGUs by determining the recoverable amount based on the higher of fair value less cost of disposal ("FVLCD") and value-in-use ("VIU") calculation. Management used discounted cash flows forecast ("DCF") to determine the recoverable amount of the CGU under VIU calculation.
 	
Preparation of DCF required the use of many assumptions and management exercised significant judgements in determining these assumptions. Key assumptions adoption and judgements exercised in the preparation of the DCF included:
 	
— print advertising revenue growth rates; and
 	
— discount rates
 	
Based on the results of management's impairment assessment, provision for impairment of US$100,000 and US$11,000 in respect of property, plant and equipment and intangible assets respectively of a CGU was provided for the year ended 31 March 2020.
 	
We focused on this area because of the significance of the balances and the significant judgements and assumptions were required by management to identify whether any impairment indicators existed for any of these assets and determine the recoverable amounts of these assets.
	We understood and evaluated the appropriateness of management's assessment process on CGU determination and impairment indicator identification by:
	
	— Enquiring of management on their basis of identifying impairment indicators;
	
	— Challenging the judgements made in the identification of impairment indicators; and
	
	— Comparing current year's performance of CGU with impairment indicators to budgeted performance.
	
	We tested management's impairment assessment of property, plant and equipment and intangible assets by assessing the DCF used in the calculation as set out below:
	
	— Comparing the key input data in management's DCF to the Board's approved budget and the business plan.
	
	— Assessing the methodology adopted and the mathematical accuracy of the underlying DCF calculation.
	
	— Assessing the reasonableness of management's key assumptions adopted and judgements exercised in its DCF in relation to:
	
	    — print advertising revenue growth rates by comparing them to historical performance and business plan, as well as benchmarking against industry and market forecast; and
	
	    — discount rates by comparing with the cost of capital of comparable companies with assistance of our own valuation specialists.
	
	We assessed the reasonableness of recoverable amounts estimated by management under FVLCD by referencing to the values of recent market information available and fair value based on property valuation reports prepared by independent valuers.
	
	Based on the procedures performed, we found the significant judgements and assumptions made by management to identify whether any impairment indicators existed for any of these assets and determine the recoverable amounts of these assets to be supportable by available evidence.

Independent Auditor's Report

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with Section 90 of the Companies Act 1981 of Bermuda and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Mr. WONG Ka Keung Johnny.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 24 June 2020

Consolidated Statement of Profit or Loss

	Note	Year ended 31 March 2020 US$'000	2019 US$'000
Turnover	*5*	**239,217**	285,560
Cost of goods sold		**(165,772)**	(194,458)
Gross profit		**73,445**	91,102
Other income	*6*	**9,197**	7,931
Other (losses)/gains, net	*7*	**(146)**	107
Selling and distribution expenses		**(41,949)**	(48,403)
Administrative expenses		**(25,710)**	(29,568)
Other operating expenses		**(4,852)**	(9,826)
Operating profit before provision for impairment of goodwill		**9,985**	11,343
Provision for impairment of goodwill	*20*	**–**	(15,227)
Operating profit/(loss)	*8*	**9,985**	(3,884)
Finance costs	*9*	**(702)**	(2,653)
Profit/(loss) before income tax		**9,283**	(6,537)
Income tax expense	*10*	**(3,164)**	(5,179)
Profit/(loss) for the year		**6,119**	(11,716)
Profit/(loss) attributable to:			
Owners of the Company		**7,055**	(11,293)
Non-controlling interests		**(936)**	(423)
		6,119	(11,716)
Earnings/(loss) per share attributable to owners of the Company			
Basic (US cents)	*11*	**0.42**	(0.67)
Diluted (US cents)	*11*	**0.42**	(0.67)

The above consolidated statement of profit or loss should be read in conjunction with the accompanying notes.

Consolidated Statement of Comprehensive Income

	Year ended 31 March	
	2020	2019
	US$'000	US$'000
Profit/(loss) for the year	**6,119**	(11,716)
Other comprehensive (loss)/income		
Items that may be reclassified subsequently to profit or loss:		
Currency translation differences	**(7,615)**	(8,653)
Currency translation differences released upon disposal of subsidiaries	**–**	215
Items that will not be reclassified subsequently to profit or loss:		
Fair value change on financial assets at fair value through other comprehensive income *(Note 13)*	**(1,813)**	(5,939)
Remeasurements of post-employment benefit obligations	**56**	251
Revaluation of land and buildings upon transfer to investment properties	**618**	–
Other comprehensive loss for the year, net of tax	**(8,754)**	(14,126)
Total comprehensive loss for the year	**(2,635)**	(25,842)
Total comprehensive loss for the year attributable to:		
Owners of the Company	**(1,219)**	(23,836)
Non-controlling interests	**(1,416)**	(2,006)
	(2,635)	(25,842)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

	Note	As at 31 March 2020 US$'000	As at 31 March 2019 US$'000
ASSETS			
Non-current assets			
Property, plant and equipment	*17*	**70,669**	79,209
Investment properties	*19*	**21,864**	20,913
Intangible assets	*20*	**9,146**	9,141
Deferred income tax assets	*21*	**120**	224
Financial assets at fair value through other comprehensive income	*13*	**1,267**	3,044
		103,066	112,531
Current assets			
Inventories	*24*	**20,039**	24,869
Trade and other receivables	*25*	**25,252**	35,945
Financial assets at fair value through profit or loss	*22*	**425**	444
Income tax recoverable		**447**	637
Short-term bank deposits	*26*	**13,430**	5,951
Cash and cash equivalents	*26*	**60,452**	69,204
		120,045	137,050
Current liabilities			
Trade and other payables	*27*	**22,328**	32,796
Contract liabilities	*5*	**8,889**	18,858
Income tax liabilities		**564**	853
Bank and other borrowings	*28*	**19,362**	19,912
Lease liabilities	*18*	**839**	–
Current portion of other non-current liabilities	*29*	**60**	45
		52,042	72,464
Net current assets		**68,003**	64,586
Total assets less current liabilities		**171,069**	177,117

Consolidated Statement of Financial Position

	Note	As at 31 March 2020 US$'000	As at 31 March 2019 US$'000
EQUITY			
Equity attributable to owners of the Company			
Share capital	*31*	**21,715**	21,715
Share premium	*31*	**54,664**	54,664
Other reserves	*32*	**(121,506)**	(113,173)
Retained earnings	*33*	**207,280**	204,553
		162,153	167,759
Non-controlling interests		**645**	2,062
Total equity		**162,798**	169,821
Non-current liabilities			
Lease liabilities	*18*	**1,354**	–
Deferred income tax liabilities	*21*	**5,533**	5,967
Other non-current liabilities	*29*	**1,384**	1,329
		8,271	7,296
		171,069	177,117

The consolidated financial statements and supplementary information on pages 90 to 169 were approved by the Board of Directors on 24 June 2020 and were signed on its behalf by:

Dato' Sri Dr TIONG Ik King
Director

TIONG Kiew Chiong
Director

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

	Note	Share capital US$'000	Share premium US$'000	Other reserves US$'000	Retained earnings US$'000	Sub-total US$'000	Non-controlling interests US$'000	Total equity US$'000
		Attributable to owners of the Company						
At 1 April 2018		21,715	54,664	(100,380)	221,670	197,669	4,099	201,768
Loss for the year		–	–	–	(11,293)	(11,293)	(423)	(11,716)
Other comprehensive (loss)/income								
Items that may be reclassified subsequently to profit or loss:								
Currency translation differences		–	–	(8,617)	–	(8,617)	(36)	(8,653)
Currency translation differences released upon disposal of subsidiaries		–	–	157	–	157	58	215
Items that will not be reclassified subsequently to profit or loss								
Fair value change on financial assets at fair value through other comprehensive income		–	–	(4,333)	–	(4,333)	(1,606)	(5,939)
Remeasurements of post-employment benefit obligations		–	–	–	250	250	1	251
Other comprehensive (loss)/income, net of tax		–	–	(12,793)	250	(12,543)	(1,583)	(14,126)
Total comprehensive loss for the year ended 31 March 2019		–	–	(12,793)	(11,043)	(23,836)	(2,006)	(25,842)
Total transactions with owners, recognised directly in equity								
2017/2018 second interim dividend paid	14	–	–	–	(3,037)	(3,037)	–	(3,037)
2018/2019 first interim dividend paid	14	–	–	–	(3,037)	(3,037)	–	(3,037)
2017/2018 interim dividend paid by an unlisted subsidiary		–	–	–	–	–	–*	–*
2018/2019 interim dividend paid by an unlisted subsidiary		–	–	–	–	–	(31)	(31)
		–	–	–	(6,074)	(6,074)	(31)	(6,105)
At 31 March 2019		21,715	54,664	(113,173)	204,553	167,759	2,062	169,821

* *negligible*

Consolidated Statement of Changes in Equity

		Attributable to owners of the Company						
	Note	Share capital US$'000	Share premium US$'000	Other reserves US$'000	Retained earnings US$'000	Sub-total US$'000	Non-controlling interests US$'000	Total equity US$'000
At 1 April 2019		**21,715**	**54,664**	**(113,173)**	**204,553**	**167,759**	**2,062**	**169,821**
Profit/(loss) for the year		**–**	**–**	**–**	**7,055**	**7,055**	**(936)**	**6,119**
Other comprehensive (loss)/income								
Item that may be reclassified subsequently to profit or loss:								
Currency translation differences		**–**	**–**	**(7,624)**	**–**	**(7,624)**	**9**	**(7,615)**
Items that will not be reclassified subsequently to profit or loss								
Fair value change on financial assets at fair value through other comprehensive income		**–**	**–**	**(1,325)**	**–**	**(1,325)**	**(488)**	**(1,813)**
Remeasurements of post-employment benefit obligations		**–**	**–**	**–**	**59**	**59**	**(3)**	**56**
Revaluation of land and buildings upon transfer to investment properties		**–**	**–**	**616**	**–**	**616**	**2**	**618**
Other comprehensive (loss)/income, net of tax		**–**	**–**	**(8,333)**	**59**	**(8,274)**	**(480)**	**(8,754)**
Total comprehensive (loss)/income for the year ended 31 March 2020		**–**	**–**	**(8,333)**	**7,114**	**(1,219)**	**(1,416)**	**(2,635)**
Total transactions with owners, recognised directly in equity								
2018/2019 second interim dividend paid	*14*	**–**	**–**	**–**	**(1,687)**	**(1,687)**	**–**	**(1,687)**
2019/2020 first interim dividend paid	*14*	**–**	**–**	**–**	**(2,700)**	**(2,700)**	**–**	**(2,700)**
2018/2019 interim dividend paid by an unlisted subsidiary		**–**	**–**	**–**	**–**	**–**	**(1)**	**(1)**
2019/2020 interim dividend paid by an unlisted subsidiary		**–**	**–**	**–**	**–**	**–**	**–***	**–***
		–	**–**	**–**	**(4,387)**	**(4,387)**	**(1)**	**(4,388)**
At 31 March 2020		**21,715**	**54,664**	**(121,506)**	**207,280**	**162,153**	**645**	**162,798**

* *negligible*

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

	Note	Year ended 31 March 2020 US$'000	2019 US$'000
Cash flows from operating activities			
Cash generated from operations	*34(a)*	**10,280**	23,631
Interest paid		**(702)**	(2,886)
Income tax paid		**(3,427)**	(5,350)
Net cash generated from operating activities		**6,151**	15,395
Cash flows from investing activities			
Dividends received		**152**	149
(Increase)/decrease in short-term bank deposits with original maturity over three months		**(7,479)**	12,361
Interest received		**1,546**	2,984
Proceeds from disposal of property, plant and equipment	*34(b)*	**539**	64
Proceeds from disposal of subsidiaries and joint ventures		**–**	10
Purchases of intangible assets	*20*	**(833)**	(291)
Purchases of investment properties	*19*	**–**	(4,652)
Purchases of property, plant and equipment	*17*	**(779)**	(1,387)
Net cash (used in)/generated from investing activities		**(6,854)**	9,238
Cash flows from financing activities			
Dividends paid	*14*	**(4,387)**	(6,074)
Dividends paid to non-controlling interests by an unlisted subsidiary		**(1)**	(31)
Proceeds from bank and other borrowings		**4,837**	22,896
Repayments of bank and other borrowings		**(5,523)**	(67,988)
Principal elements of lease liabilities		**(706)**	–
Net cash used in financing activities		**(5,780)**	(51,197)
Net decrease in cash and cash equivalents		**(6,483)**	(26,564)
Cash and cash equivalents at beginning of year		**69,204**	101,923
Exchange adjustments on cash and cash equivalents		**(2,269)**	(6,155)
Cash and cash equivalents at end of year	*26*	**60,452**	69,204

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

For the year ended 31 March 2020

1 GENERAL INFORMATION

Media Chinese International Limited (the "Company") is a limited liability company incorporated in Bermuda. Its registered address is Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM10, Bermuda.

The Company is an investment holding company. The principal activities of its subsidiaries are publishing, printing and distribution of newspapers, magazines, books and digital contents primarily in the Chinese language, and the provision of travel and travel related services in Hong Kong, Taiwan, North America, Malaysia and other Southeast Asian countries. The shares of the Company have been listed on The Stock Exchange of Hong Kong Limited (the "HK Stock Exchange") since 22 March 1991 and subsequently dual-listed on Bursa Malaysia Securities Berhad ("Bursa Securities") on 30 April 2008.

These consolidated financial statements are presented in US dollars ("US$"), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 24 June 2020.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Company and its subsidiaries (collectively the "Group") have been prepared in accordance with all applicable International Financial Reporting Standards ("IFRSs") and the disclosure requirements of Hong Kong Companies Ordinance (Cap. 622). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties, financial assets at fair value through other comprehensive income, and financial assets at fair value through profit or loss, which are carried at fair value.

The preparation of consolidated financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

(a) New and amended standards and interpretations adopted by the Group

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 April 2019:

(i) Amendments to IAS 19, "Plan amendment, curtailment or settlement"
(ii) Amendments to IAS 28, "Long-term interests in associates and joint ventures"
(iii) Amendments to IFRS 9, "Prepayment features with negative compensation"
(iv) New standard IFRS 16, "Leases"
(v) Interpretations IFRIC 23, "Uncertainty over income tax treatments"
(vi) Annual improvement, "Annual improvements to IFRSs 2015–2017 cycle"

The Group changed its accounting policies as a result of adopting IFRS 16 "Leases". The Group elected to adopt the simplified transition approach and has not restated comparatives for the 2019 reporting period. This is disclosed in Note 2.2. Other amendments and interpretations listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.1 Basis of preparation *(Continued)*

(b) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 March 2020 reporting periods and have not been early adopted by the Group.

		Effective for annual periods beginning on or after
Amendments to IAS 1	Classification of liabilities as current or non-current	1 January 2022
Amendments to IAS 1 and IAS 8	Definition of material	1 January 2020
Amendments to IFRS 3	Definition of a business	1 January 2020
Amendments to IAS 39, IFRS 7 and IFRS 9	Interest rate benchmark reform	1 January 2020
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or joint venture	Effective Date to be determined
Conceptual framework for financial reporting 2018	Revised conceptual framework for financial reporting	1 January 2020
IFRS 17	Insurance contracts	1 January 2023

None of these new standards and interpretations are expected to have a material impact on the Group's consolidated financial statements.

2.2 Impact on the financial statements from the adoption of IFRS 16

This note explains the impact of the adoption of IFRS 16 "Leases" on the Group's consolidated financial statements.

As indicated in Note 2.1 above, the Group has adopted IFRS 16 retrospectively from 1 April 2019, but has not restated prior period comparatives, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balances of the Group's consolidated statement of financial position as at 1 April 2019. The new accounting policies are disclosed in Note 2.24.

On adoption of IFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as "operating leases" under the principles of IAS 17 "Leases". These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 April 2019, except for short-term leases and leases for which the underlying asset is of low value, to which the respective lease payments associated with those leases are recognised as an expense on a straight-line basis over the lease term. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 April 2019 was 3.0%.

For leases previously classified as finance leases the entity recognised the carrying amount of the lease asset immediately before transition as the carrying amount of the right-of-use asset at the date of initial application. The right-of-use assets recognised on 1 April 2019 include balances of US$1,514,000, US$7,840,000 and US$9,504,000 of long-term leasehold land outside Hong Kong, medium-term leasehold land in Hong Kong and medium-term leasehold land outside Hong Kong respectively.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.2 Impact on the financial statements from the adoption of IFRS 16 *(Continued)*

(a) Measurement of lease liabilities

The Group had outstanding lease commitments of US$2,369,000 as at 31 March 2019.

	US$'000
Discounted using the lessee's incremental borrowing rate at the date of initial application	2,260
Less: short-term leases not recognised as a liability	(706)
Less: low value leases not recognised as a liability	(245)
Lease liabilities to be recognised	1,309
Net-off with prepayment	(2)
Lease liabilities recognised as at 1 April 2019	1,307
Of which are:	
Current lease liabilities	650
Non-current lease liabilities	657
	1,307

(b) Measurement of right-of-use assets

The associated right-of-use assets were measured at the amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the consolidated statement of financial position as at 31 March 2019.

(c) Adjustments recognised in the consolidated statement of financial position as at 1 April 2019

The change in accounting policy affected the following items in the Group's consolidated statement of financial position as at 1 April 2019:

- Property, plant and equipment — increased by US$1,309,000
- Prepayments — decreased by US$2,000
- Lease liabilities — increased by US$1,307,000

There was no impact to the Group's retained earnings as at 1 April 2019.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.2 Impact on the financial statements from the adoption of IFRS 16 *(Continued)*

(d) Practical expedients applied

In applying IFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review — there were no onerous contracts as at 1 April 2019;
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 April 2019 as short-term leases;
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date, the Group relied on its assessment made applying IAS 17 "Leases" and IFRIC 4 "Determining whether an Arrangement Contains a Lease".

2.3 Subsidiaries

(a) Consolidation

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.3 Subsidiaries *(Continued)*

(a) Consolidation *(Continued)*

(i) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquired entity and the acquisition date fair value of any previous equity interest in the acquired entity over the fair value of the identifiable net assets acquired is recorded as goodwill. If these amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in the consolidated statement of profit or loss as a bargain purchase.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such remeasurement are recognised in profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.3 Subsidiaries *(Continued)*

(a) Consolidation *(Continued)*

(ii) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in equity.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

(b) Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.4 Joint arrangements and associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights.

Under IFRS 11 "Joint Arrangements" investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor rather than the legal structure of the joint arrangement. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures.

Investments in joint ventures and associates are accounted for using the equity method of accounting. Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 2.10.

2.5 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who has been identified as the Group Executive Committee, is responsible for allocating resources, assessing performance of the operating segments and making strategic decisions.

Notes to the Financial Statements

For the year ended 31 March 2020

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.6 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates, i.e. the functional currency. The functional currency of the Company is Malaysian Ringgit ("RM"). However, each entity within the Group can present its financial statements in any currency, which can be the same or different from the entity's functional currency. As the Group operates internationally, management considers that it is more appropriate to use US$, a globally recognised currency, as the presentation currency for the Group's consolidated financial statements. For the entity whose functional currency is not US$, its results and financial position have been translated into US$.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the consolidated statement of profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the consolidated statement of profit or loss within 'finance costs'. All other foreign exchange gains and losses are presented in the consolidated statement of profit or loss within 'Other (losses)/gains, net'.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as fair value through other comprehensive income are recognised in other comprehensive income.

(c) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the end of each reporting period;

(ii) income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

(iii) all resulting currency translation differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Currency translation differences arising are recognised in other comprehensive income.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.6 Foreign currency translation *(Continued)*

(d) Disposal of foreign operation

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a joint venture that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the currency translation differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated currency translation differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (that is, reductions in the Group's ownership interest in joint ventures or associates that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated currency translation differences is reclassified to profit or loss.

2.7 Property, plant and equipment

Freehold land is not amortised. Buildings situated on freehold land are stated at cost and are depreciated on a straight-line basis over their expected useful lives to the Group. The principal annual rates used for this purpose range from 2% to 5%.

Buildings situated on leasehold land and held for own use are stated at cost and are depreciated on a straight-line basis over the unexpired periods of the leases or their expected useful lives to the Group, whichever is shorter. The principal annual rates used for this purpose range from 2% to 5%.

Until 31 March 2019, leasehold land classified as finance lease commenced amortisation from the time when the land interest became available for its intended use and was amortised on a straight-line basis over the period of the lease. From 1 April 2019, the date of initial application of IFRS 16, the leasehold land previously classified as finance lease is accounted for as right-of-use asset under IFRS 16 (*Note* 2.2).

Plant and equipment, comprising leasehold improvements, furniture, fixtures, office equipment, machinery, printing equipment and motor vehicles, are stated at cost less accumulated depreciation and accumulated impairment losses. Construction in progress is stated at cost less accumulated impairment losses.

Subsequent costs are included in an asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated statement of profit or loss during the financial period in which they are incurred.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.7 Property, plant and equipment *(Continued)*

Depreciation is calculated using the straight-line method to allocate the assets' costs to their residual values over their estimated useful lives as follows:

Leasehold improvements	Shorter of remaining lease term of 3 to 10 years and useful life
Furniture, fixtures and office equipment	2 to 13 years
Machinery and printing equipment	
Printing equipment	10 to 20 years
Machinery	5 to 10 years
Motor vehicles	3 to 10 years

The assets' depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (*Note* 2.10).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "Other operating expenses" in the consolidated statement of profit or loss.

2.8 Investment properties

Investment properties, principally comprising leasehold land and buildings, are held for long-term rental yields and are not occupied by the Group. Investment properties are initially measured at cost, including related transaction costs and where applicable borrowing costs. Subsequently, they are carried at fair value. Changes in fair values are presented in the consolidated statement of profit or loss as part of fair value gain or loss in "Other (losses)/gains, net".

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.9 Intangible assets

(a) Goodwill

Goodwill is measured as described in Note 2.3. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments (*Note* 5).

(b) Other intangible assets

Other intangible assets primarily comprise costs of computer softwares, archives, mastheads, publishing rights and broadcast licence that are acquired by the Group and are stated at cost less accumulated amortisation.

Amortisation of other intangible assets is charged to the consolidated statement of profit or loss on a straight-line basis over the assets' estimated useful lives. Other intangible assets with finite useful lives are amortised from the date they are available for use and their estimated useful lives are as follows:

Archives, mastheads and publishing rights	10–40 years
Computer softwares	5–10 years
Broadcast licence	3 years

2.10 Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life, are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash- generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.11 Financial assets

(a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income ("OCI"), or through profit or loss), and

- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI.

For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ("FVOCI").

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in "Other (losses)/gains, net" together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.11 Financial assets *(Continued)*

(c) Measurement *(Continued)*

Debt instruments (Continued)

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in "Other (losses)/gains, net". Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in "Other (losses)/gains, net" and impairment losses are presented as a separate line item in the statement of profit or loss.

- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented within "Other (losses)/gains, net" in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investments. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of FVPL are recognised in profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(d) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade and other receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

2.12 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.13 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Notes to the Financial Statements

For the year ended 31 March 2020

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.14 Trade and other receivables

Trade and other receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. See Note 2.11(d) for a description of the Group's impairment policies.

2.15 Short-term bank deposits and cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, bank deposits and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

In the consolidated statement of financial position, short-term bank deposits include bank deposits with original maturities of more than three months.

2.16 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.17 Trade payables

Trade payables represent liabilities for goods or services provided to the Group prior to the end of financial year which are unpaid. Trade payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.18 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

2.19 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Borrowing costs are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.19 Borrowing costs *(Continued)*

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

2.20 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of each reporting period in the countries where the Company, its subsidiaries, joint ventures and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(b) Deferred income tax

Inside basis differences

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of each reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only if it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Outside basis differences

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the Group is unable to control the reversal of the temporary difference for associates and joint arrangements. Only where there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference is a deferred income tax liability not recognised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary differences will reverse in the future and there is sufficient taxable profit available against which the temporary differences can be utilised.

(c) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same tax jurisdiction on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.21 Employee benefits

(a) Pension obligations

Group companies operate various pension schemes. These schemes are generally funded through payments to insurance companies or trustee-administered funds and, where applicable, determined by periodic actuarial calculations. The Group has both defined contribution and defined benefit plans.

Defined contribution plans

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate publicly or privately administered pension insurance plan on a mandatory, contractual or voluntary basis. The Group has no legal or constructive obligations to pay further contributions once the fixed contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available. The Group's defined contribution plans cover eligible employees in Hong Kong, North America, Malaysia and other Southeast Asian countries.

Defined benefit plans

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the consolidated statement of financial position in respect of the defined benefit pension plans is the present value of the defined benefit obligations at the end of the reporting period less the fair value of plan assets. The present value of the defined benefit obligations are calculated by independent actuaries using the projected unit credit method, by discounting the estimated future benefits that employees have earned in return for their services in the current and prior periods, using market yields of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligations. For a currency that has no deep market in such high quality corporate bonds, the market yields at the end of the reporting period on government bonds denominated in that currency shall be used.

The current service cost of the defined benefit plans (recognised as employee benefit expense in the consolidated statement of profit or loss), except where included in the cost of an asset, reflects the increase in the defined benefit obligations resulting from employee service in the current year, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligations and the fair value of plan assets. This cost is included in employee benefit expense in the consolidated statement of profit or loss.

Remeasurements arising from defined benefit plans are recognised in other comprehensive income and reflected immediately in retained earnings. Remeasurements comprise actuarial gains and losses, and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability/asset).

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in the consolidated statement of profit or loss.

The Group's defined benefit plans cover eligible employees in Hong Kong and Malaysia.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.21 Employee benefits *(Continued)*

(a) Pension obligations *(Continued)*

Defined benefit plans (Continued)

(i) The defined benefit plan for the Group's employees in Hong Kong is funded by means of an independent pension fund. The liability recognised in the consolidated statement of financial position in respect of the defined benefit plan is the present value of the defined benefit obligations at the end of each reporting period less the fair value of the plan assets. Defined benefit obligations are calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligations is determined by discounting the estimated future benefits that employees have earned in return for their services in the current and prior periods by reference to market yields of Hong Kong Government's Exchange Fund Notes and Government Bonds, which are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligations.

(ii) The defined benefit plan for the Group's employees in Malaysia is not funded. The Group's obligation under the plan, calculated using the projected unit credit method, is determined based on actuarial computations by independent actuaries, through which the amount of benefit that the employees have earned in return for their services in the current and prior years is estimated. The benefit is discounted based on the interest rates of high-quality corporate bonds in order to determine its present value.

(b) Profit sharing and bonus plans

The expected cost of profit sharing and bonus plans is recognised as a liability when the Group has a present legal or constructive obligation as a result of services rendered by the employees and a reliable estimate of the obligation can be made. Liabilities for profit sharing and bonus plans are expected to be settled within 12 months of the end of each reporting period and are measured at the amounts expected to be paid when they are settled.

(c) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to the employees. A provision is made for the estimated liability for annual leave as a result of services rendered by the employees up to the end of each reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(d) Long service payments and severance payments

The Group's net obligation in respect of long service payments and severance payments to its employees in Hong Kong upon cessation of their employment in certain circumstances under the Hong Kong Employment Ordinance is the amount of benefits that the employees have earned in return for their services in the current and prior periods.

The obligation is calculated using the projected unit credit method, discounted to its present value and reduced by entitlements accrued under the Group's retirement schemes that are attributed to contributions made by the Group. The discount rate is the yield at the end of each reporting period of Hong Kong Government's Exchange Fund Notes and Government Bonds, which are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related obligations. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit plans. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in full in other comprehensive income in the year in which they occur.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.22 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.23 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, business tax, returns, rebates and discounts and after eliminating sales within the Group. The Group recognises revenue when specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised when or as the control of goods or services is transferred to a customer. Depending on the terms of the contract and the laws that apply to the contract, control of the goods and services may be transferred over time or at a point in time. Control of the goods and services is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates and enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the goods and services transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the goods and services.

Advertising income, net of trade discounts, is recognised over time when the relevant advertisement in newspapers and magazines are published and the Group has an enforceable right to payment for performance completed to date.

Revenue from the circulation and subscription sales of newspapers, magazines and books, net of trade discounts and returns, is recognised at a point in time when control of goods transferred to customers, which generally coincides with the date of delivery. Unearned subscription fees received from subscribers are recorded as contract liabilities in the consolidated statement of financial position.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.23 Revenue recognition *(Continued)*

Revenue for package tours is recognised over time in which the control of services is transferred to the customer because the customer simultaneously receives and consumes benefit provided by the Group's performance as it performs. Payment is made to the Group before the customers enjoy the tour services.

Revenue from the provision of ancillary travel related products and services, sales of air tickets, hotel accommodation and hotel packages is recognised at a point in time when the booking services or tickets are delivered to and have been accepted by the customers. The Group is the agent in these transactions and the revenue is recognised on a net basis.

Revenue from scrap sales of old newspapers and magazines is recognised at a point in time on the date of delivery.

Licence fees and royalty income are recognised on an accrual basis in accordance with the terms of the relevant agreements.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial assets (after deduction of the loss allowance).

Management fee income is recognised on an accrual basis or a straight-line basis over the management service period.

Operating lease rental income is recognised in equal instalments over the periods covered by the lease term.

Dividend income is recognised when the right to receive payment is established.

2.24 Leases

Until 31 March 2019, leases of property, plant and equipment where the Group, as lessee, had substantially all the risks and rewards of ownership were classified as finance leases. Finance leases were capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, were included in other short-term and long-term payables. Each lease payment was allocated between the liability and finance cost. The finance cost was charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases was depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

Leases in which a significant portion of the risks and rewards of ownership were not transferred to the Group as lessee were classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 April 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate the lease and non-lease components and instead accounts for these as a single lease component.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.24 Leases *(Continued)*

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at commencement date;
- Amounts expected to be payable by the Group under residual value guarantees;
- The exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- Where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- Uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for the lease held by the Group, which does not have recent third party financing; and
- Makes adjustments specific to the lease, e.g. term, country, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.24 Leases *(Continued)*

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment.

2.25 Dividend distribution

Dividend distributions to owners of the Company are recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are declared by the directors in the case of interim and special dividends or approved by the Company's shareholders in the case of final dividends.

2.26 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. The grants received are recognised as "Other income" in the Group's consolidated statement of profit or loss over the period in which the Group recognised as expenses the related costs for which the grant was intended to compensate. There are no unfulfilled conditions or other contingencies attaching to these grants.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

(a) Market risk

(i) Interest rate risk

The Group's cash balances are placed with authorised financial institutions, which generate interest income for the Group. They are exposed to the cash flow interest rate risk. The Group manages this risk by placing deposits at various maturities and interest rate terms.

The Group's bank borrowings are exposed to risk arising from changing interest rates. Bank borrowings at variable rates expose the Group to cash flow interest rate risk. The Group manages this risk by maintaining an appropriate mix of fixed and floating rate borrowings.

To evaluate the sensitivity of the Group's profit before income tax to possible changes in interest rates, the impact of an interest rate change was modeled on the floating rate of bank borrowings while all other variables were held constant. Based on these assumptions, a hypothetical increase of 1% per annum in interest rates would have decreased the Group's profit before income tax for the year ended 31 March 2020 by approximately US$181,000 (2019: increased loss before income tax by approximately US$199,000).

Notes to the Financial Statements

For the year ended 31 March 2020

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

(a) Market risk *(Continued)*

(ii) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to RM, Canadian dollars ("CAD"), Hong Kong dollars ("HK$") and US$. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. At 31 March 2020, if US$ had weakened/strengthened by 5% against RM with all other variables held constant, other comprehensive income for the year would have been approximately US$6,874,000 higher/lower, as a result of the foreign exchange difference on translation of RM denominated assets and liabilities.

The assets and liabilities of each entity within the Group are mostly denominated in its own functional currency and do not have material currency impact on the consolidated statement of profit or loss for the year.

For operations in Malaysia, most of the transactions are denominated in RM. The Group is closely monitoring the currency exchange risk of RM and is looking for any opportunities to mitigate the currency exchange risk of RM.

For operations in Canada, most of the transactions are denominated in CAD. No financial instruments were used for hedging purposes during the year. The Group is closely monitoring the currency exchange risk of CAD and will consider the use of financial instrument for hedging purposes, if necessary.

For operations in Hong Kong, most of the transactions are denominated in HK$ and US$. The exchange rate of US$ against HK$ is relatively stable and the related currency exchange risk is considered minimal.

(b) Credit risk

Credit risk is the risk of a loss resulting from the failure of one of the Group's counterparties to discharge its contractual obligations. The Group manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and by monitoring exposures in relation to such limits.

The Group applies the simplified approach to provide for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected credit loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The Group has performed historical analysis and identified the key economic variables impacting credit risk and expected credit loss. It considers available reasonable and supportive forwarding-looking information. The Group makes periodic assessments on the recoverability of the receivables based on the background and reputation of the customers, historical settlement records, past experience and available, reasonable and supportive forwarding-looking information.

The provision for loss allowance is based on the payment profiles of trade receivables and trade receivable ageing, ranged from 0.1% to 1.9% for balances aged below 180 days and 63.1% for balances aged above 180 days.

The credit quality of the other receivables has been assessed with reference to historical information about the counterparties default rates and financial position of the counterparties. The directors are of the opinion that the credit risk of other receivables is low due to the sound collection history of the receivables due from them. Therefore, expected credit loss rate of the other receivables is assessed to be immaterial.

The Group maintains cash and cash equivalents and short-term bank deposits with reputable financial institutions from which management believes the risk of loss to be remote. The management assesses the credit quality of outstanding cash and cash equivalents and short-term bank deposits balances as high and considers there is no individually significant exposure. Maximum exposure to credit risk at the reporting date is the carrying amount of the cash at banks.

Notes to the Financial Statements

For the year ended 31 March 2020

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

(c) Liquidity risk

The liquidity risk of the Group is controlled by maintaining sufficient banking facilities and cash and cash equivalents, which are generated from the operating cash flows.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the end of each reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Repayable on demand US$'000	**Within 1 year US$'000**	**Later than 1 year but not later than 5 years US$'000**	**Over 5 years US$'000**	**Total US$'000**
Bank borrowings	**17,650**	**1,727**	**–**	**–**	**19,377**
Trade and other payables	**–**	**20,335**	**–**	**–**	**20,335**
Lease liabilities	**–**	**839**	**1,270**	**84**	**2,193**
As at 31 March 2020	**17,650**	**22,901**	**1,270**	**84**	**41,905**

	Repayable on demand US$'000	Within 1 year US$'000	Later than 1 year but not later than 5 years US$'000	Over 5 years US$'000	Total US$'000
Bank borrowings	18,125	1,804	–	–	19,929
Trade and other payables	–	31,823	–	–	31,823
As at 31 March 2019	18,125	33,627	–	–	51,752

Notes to the Financial Statements

For the year ended 31 March 2020

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, repurchase shares, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the net gearing ratio. This ratio is calculated as net debt over owners' equity. Net debt is calculated as total borrowings less short-term bank deposits and cash and cash equivalents. Owners' equity represents equity attributable to owners of the Company as shown in the consolidated statement of financial position.

During the year ended 31 March 2020, the Group's strategy was to maintain a net gearing ratio below 40% (2019: below 40%).

As at 31 March 2020, the Group's total amount of bank and other borrowings were less than cash and cash equivalents and short-term bank deposits, net gearing ratio was nil (2019: same).

3.3 Fair value estimation

For financial instruments that are measured at fair value, the Group classifies fair value measurements using a fair value hierarchy that prioritises the inputs to valuation techniques used to measure fair value. The fair value hierarchy has the following levels:

Level 1 — Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 — Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
Level 3 — Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following table presents the Group's assets that are measured at fair value at 31 March 2020:

	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000
Financial assets at fair value through profit or loss				
— Listed equity securities	328	–	–	328
— Unlisted club debenture	–	–	97	97
Financial assets at fair value through other comprehensive income				
— Listed equity securities	1,267	–	–	1,267
	1,595	–	97	1,692

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3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.3 Fair value estimation *(Continued)*

The following table presents the Group's assets that are measured at fair value at 31 March 2019:

	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000
Financial assets at fair value through profit or loss				
— Listed equity securities	348	–	–	348
— Unlisted club debenture	–	–	96	96
Financial assets at fair value through other comprehensive income				
— Listed equity securities	3,044	–	–	3,044
	3,392	–	96	3,488

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of each reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques.

These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on the entity-specific estimates. If all significant inputs required to determine the fair value of an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3.

There was no transfer between level 1 and level 2 of the fair value hierarchy during the year. There was no change during the year attributable to level 3 of the fair value hierarchy.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Group makes estimates and judgements concerning the future based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each reporting period, that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(a) Impairment of property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. The recoverable amount of a cash-generating unit ("CGU") is determined based on the higher of fair value less cost of disposal ("FVLCD") and value-in-use ("VIU") models. The methodologies are based upon a number of key estimates and other information, both internal and external, including (i) print advertising revenue growth rate; (ii) discount rate in VIU model; and (iii) estimation of market values of certain assets in FVLCD, which include referencing market transactions. These calculations require the use of estimates. Changing the assumptions selected by the Group to determine the level, if any, of impairment, including the discount rate or the growth rate assumptions, could significantly affect the Group's reported financial position and results of operations. The key assumptions used are set out in Note 17.

(b) Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax assets and liabilities in the period in which such determination is made.

(c) Deferred income tax assets

Management has considered future taxable income and on-going prudent and feasible tax planning strategies in assessing the recognition criteria for deferred income tax assets recorded in relation to cumulative tax loss carried forwards. The assumptions regarding future profitability of various subsidiaries and agreed tax losses with the tax authorities require significant judgement, and significant changes in these assumptions from period to period may have a material impact on the Group's reported financial condition and results of operations.

(d) Fair value of investment properties

Investment properties are stated at fair values which have been determined by accredited independent valuers. The best evidence of fair value is current prices in active market for the properties with similar lease and other contracts. In the absence of such information, the Group determines the amount within a range of reasonable fair value estimates. Details of the judgements and assumptions are disclosed in Note 19.

(e) Useful lives of property, plant and equipment

The Group's management determines the estimated useful lives and related depreciation for its property, plant and equipment. These estimates are based on the historical experience of the actual useful lives of the property, plant and equipment of similar nature and functions. Management will revise the depreciation charge where useful lives are different from those previously estimated. It will also write off or write down non-strategic assets that have been abandoned or sold.

5 TURNOVER AND SEGMENT INFORMATION

The Group Executive Committee is the Group's chief operating decision-maker. Management has determined the operating segments based on the reports that are reviewed and used by the Group Executive Committee for strategic decisions making.

The Group is organised operationally on a worldwide basis in four major operating segments:

Publishing and printing: Malaysia and other Southeast Asian countries
Publishing and printing: Hong Kong and Taiwan
Publishing and printing: North America
Travel and travel related services

Publishing and printing segments are engaged in the publication, printing and distribution of newspapers, magazines, books and digital contents primarily in the Chinese language. The segments derive revenue mainly from the provision of advertising services and sales of newspapers and magazines. Travel and travel related services segment derives revenue from the sales of travel packages and provision of tour services.

The Group Executive Committee assesses the performance of the operating segments based on a measure of segment profit before income tax as presented in the internal financial report. Other information provided is measured in a manner consistent with that in the internal financial report.

5 TURNOVER AND SEGMENT INFORMATION *(Continued)*

The Group's turnover and results for the year ended 31 March 2020, analysed by operating segment, are as follows:

	Publishing and printing					
	Malaysia and other Southeast Asian countries US$'000	Hong Kong and Taiwan US$'000	North America US$'000	Sub-total US$'000	Travel and travel related services US$'000	Total US$'000
Turnover	**106,294**	**44,198**	**10,764**	**161,256**	**77,961**	**239,217**
Segment profit/(loss) before income tax	**12,447**	**(5,275)**	**(518)**	**6,654**	**3,397**	**10,051**
Other net unallocated expenses						**(768)**
Profit before income tax						**9,283**
Income tax expense						**(3,164)**
Profit for the year						**6,119**
Other segmental information:						
Interest income	**1,420**	**27**	**37**	**1,484**	**62**	**1,546**
Finance costs	**(15)**	**(634)**	**–**	**(649)**	**(53)**	**(702)**
Depreciation of property, plant and equipment	**(5,107)**	**(1,160)**	**(179)**	**(6,446)**	**(779)**	**(7,225)**
Amortisation of intangible assets	**(667)**	**(119)**	**(8)**	**(794)**	**(17)**	**(811)**
Provision for impairment of intangible assets	**–**	**(11)**	**–**	**(11)**	**–**	**(11)**
Provision for impairment of property, plant and equipment	**–**	**(100)**	**–**	**(100)**	**–**	**(100)**

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5 TURNOVER AND SEGMENT INFORMATION *(Continued)*

The Group's turnover and results for the year ended 31 March 2019, analysed by operating segment, are as follows:

	Publishing and printing					
	Malaysia and other Southeast Asian countries US$'000	Hong Kong and Taiwan US$'000	North America US$'000	Sub-total US$'000	Travel and travel related services US$'000	Total US$'000
Turnover	129,906	50,654	13,397	193,957	91,603	285,560
Segment(loss)/profit before income tax	(2,215)	(3,394)	(2,267)	(7,876)	4,579	(3,297)
Unallocated finance costs						(2,404)
Other net unallocated expenses						(836)
Loss before income tax						(6,537)
Income tax expense						(5,179)
Loss for the year						(11,716)
Other segmental information:						
Interest income	2,902	16	9	2,927	57	2,984
Finance costs	(71)	(178)	–	(249)	–	(249)
Depreciation of property, plant and equipment	(5,801)	(1,218)	(253)	(7,272)	(36)	(7,308)
Amortisation of intangible assets	(701)	(187)	(8)	(896)	(33)	(929)
Provision for impairment of intangible assets	(476)	–	–	(476)	–	(476)
Provision for impairment of property, plant and equipment	(2,750)	–	–	(2,750)	–	(2,750)
Provision for impairment of goodwill	(15,227)	–	–	(15,227)	–	(15,227)

5 TURNOVER AND SEGMENT INFORMATION *(Continued)*

Disaggregation of revenue

Turnover is derived from publishing, printing and distribution of newspapers, magazines, books and digital contents primarily in the Chinese language, and provision of travel and travel related services.

Turnover recognised during the year is disaggregated as follows:

	2020	2019
	US$'000	US$'000
By major products or service lines		
Timing of revenue recognition		
At a point in time		
Sales of newspapers, magazines, books and digital contents, net of trade discounts and returns	**56,113**	64,865
Travel and travel related services income	**860**	1,000
Over time		
Advertising income, net of trade discounts	**105,143**	129,092
Travel and travel related services income	**77,101**	90,603
	239,217	285,560

(i) Liabilities related to contracts with customers

	2020	2019
	US$'000	US$'000
Contract liabilities related to publishing and printing segment	**5,769**	6,272
Contract liabilities related to travel and travel related services segment	**3,120**	12,586
Contract liabilities	**8,889**	18,858

(ii) Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised during the year that was included in the contract liabilities balance at the beginning of the year.

	2020	2019
	US$'000	US$'000
Revenue recognised in the current year that was included in the contract liabilities balance at the beginning of the year		
— publishing and printing segment	**4,945**	5,868
— travel and travel related services segment	**12,406**	11,961
	17,351	17,829

5 TURNOVER AND SEGMENT INFORMATION *(Continued)*

The segment assets and liabilities as at 31 March 2020 are as follows:

	Publishing and printing						
	Malaysia and other Southeast Asian countries US$'000	Hong Kong and Taiwan US$'000	North America US$'000	Sub-total US$'000	Travel and travel related services US$'000	Elimination US$'000	Total US$'000
Segment assets	**158,529**	**35,575**	**10,688**	**204,792**	**17,854**	**(642)**	**222,004**
Unallocated assets							**1,107**
Total assets							**223,111**
Total assets include:							
Additions to non-current assets (other than deferred income tax assets)	**1,213**	**484**	**41**	**1,738**	**1,466**	**–**	**3,204**
Segment liabilities	**(12,458)**	**(28,872)**	**(6,063)**	**(47,393)**	**(6,126)**	**642**	**(52,877)**
Unallocated liabilities							**(7,436)**
Total liabilities							**(60,313)**

5 TURNOVER AND SEGMENT INFORMATION *(Continued)*

The segment assets and liabilities as at 31 March 2019 are as follows:

	Publishing and printing						
	Malaysia and other Southeast Asian countries US$'000	Hong Kong and Taiwan US$'000	North America US$'000	Sub-total US$'000	Travel and travel related services US$'000	Elimination US$'000	Total US$'000
Segment assets	168,760	42,672	10,562	221,994	26,435	(270)	248,159
Unallocated assets							1,422
Total assets							249,581
Total assets include:							
Additions to non-current assets (other than deferred income tax assets)	5,892	376	44	6,312	18	–	6,330
Segment liabilities	(19,186)	(30,300)	(6,384)	(55,870)	(15,985)	270	(71,585)
Unallocated liabilities							(8,175)
Total liabilities							(79,760)

The elimination between segments represents intercompany receivables and payables between segments.

Segment assets consist primarily of property, plant and equipment, investment properties, intangible assets, financial assets at fair value through other comprehensive income, inventories, trade and other receivables, short-term bank deposits, and cash and cash equivalents. They mainly exclude deferred income tax assets, financial assets at fair value through profit or loss and income tax recoverable of the Group.

Segment liabilities consist primarily of trade and other payables, contract liabilities, bank and other borrowings, lease liabilities and other non-current liabilities. They mainly exclude deferred income tax liabilities and income tax liabilities of the Group.

5 TURNOVER AND SEGMENT INFORMATION *(Continued)*

As at 31 March 2020 and 2019, the Group's total non-current assets, other than deferred income tax assets, analysed by operating countries, are as follows:

	2020	2019
	US$'000	US$'000
Malaysia and other Southeast Asian countries	**80,493**	88,942
Hong Kong and Taiwan	**16,015**	16,533
Other countries	**6,438**	6,832
	102,946	112,307

6 OTHER INCOME

	2020	2019
	US$'000	US$'000
Dividend income	**152**	17
Government grant *(note)*	**2,786**	–
Interest income	**1,546**	2,984
Licence fee and royalty income	**210**	176
Other media-related income	**1,724**	1,596
Rental and management fee income	**854**	829
Scrap sales of old newspapers and magazines	**1,836**	2,255
Others	**89**	74
	9,197	7,931

Note: A grant was received from an overseas government for supporting the Group's operation of eligible publications.

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For the year ended 31 March 2020

7 OTHER (LOSSES)/GAINS, NET

	2020	2019
	US$'000	US$'000
Fair value gains on investment properties, net	**189**	516
Fair value losses on financial assets at fair value through profit or loss, net	**(26)**	(12)
Fair value losses on other non-current financial assets	**–**	(121)
Losses on disposal of subsidiaries and joint ventures	**–**	(218)
Net exchange losses	**(309)**	(58)
	(146)	107

8 OPERATING PROFIT/(LOSS)

The operating profit/(loss) is stated after charging/(crediting) the following:

	2020	2019
	US$'000	US$'000
Amortisation of intangible assets *(Note 20)*	**811**	929
Auditor's remuneration		
Audit services	**510**	572
Non-audit services	**51**	52
Depreciation of property, plant and equipment *(Note 17)*	**7,225**	7,308
Direct costs of travel and travel related services	**65,947**	77,800
Employee benefit expense (including directors' emoluments) *(Note 15)*	**80,870**	87,515
(Gains)/losses on disposal of property, plant and equipment, net *(Note 34(b))*	**(301)**	2,013
Provision for impairment of property, plant and equipment *(Note 17)*	**100**	2,750
Provision for loss allowance and write-off of trade and other receivables	**479**	290
Provision for impairment of intangible assets *(Note 20)*	**11**	476
Provision for impairment and write-off of inventories	**185**	227
Expense relating to short-term leases	**389**	–
Expense relating to leases of low-value assets	**153**	–
Operating lease expenses		
— Land and buildings	**–**	2,260
— Machinery	**–**	15
Raw materials and consumables used	**31,947**	43,107

Notes to the Financial Statements

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9 FINANCE COSTS

	2020	2019
	US$'000	US$'000
Interest expense on medium-term notes	**–**	2,404
Interest expense on short-term bank borrowings	**649**	249
Interest expense on lease liabilities	**53**	–
	702	2,653

10 INCOME TAX EXPENSE

Income tax for the Group's Hong Kong operations has been provided at the rate of 16.5% (2019: 16.5%) on the estimated assessable profit derived from Hong Kong for the year. Income tax for the Group's Malaysian operations is calculated at the rate of 24% (2019: 24%) on the estimated assessable profit derived from Malaysia for the year. Taxation on other countries' profits has been calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the countries in which the Group operates.

Income tax expense in the consolidated statement of profit or loss represents:

	2020	2019
	US$'000	US$'000
Hong Kong taxation		
Current year	**501**	663
Over provision in prior years	**(5)**	(15)
Malaysian taxation		
Current year	**3,893**	5,219
Under/(over) provision in prior years	**213**	(17)
Other countries' taxation		
Current year *(note (a))*	**(1,257)**	474
(Over)/under provision in prior years	**(4)**	6
Deferred income tax credit	**(177)**	(1,151)
	3,164	5,179

Note:

(a) During the year ended 31 March 2020, an overseas subsidiary received a tax refund amounting to US$1,620,000 from the local tax authority upon the successful application for a tax incentive scheme which was recognised in profit or loss as an income tax credit for the current year.

10 INCOME TAX EXPENSE *(Continued)*

Reconciliation between tax expense and accounting profit/(loss) at applicable tax rates:

	2020	2019
	US$'000	US$'000
Profit/(loss) before income tax	**9,283**	(6,537)
Tax calculated at domestic tax rates applicable to profits in the respective countries	**3,040**	(594)
Tax effects of:		
Income not subject to tax	**(281)**	(371)
Expenses not deductible for tax purposes	**499**	4,743
Temporary differences not recognised	**23**	159
Tax losses not recognised	**1,299**	1,238
Under/(over) provision in prior years	**204**	(26)
Withholding tax on profit distribution from subsidiaries	**–**	30
Tax refund to an overseas subsidiary upon the successful application for a tax incentive scheme *(note (a))*	**(1,620)**	–
Income tax expense	**3,164**	5,179

11 EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

	2020	2019
Profit/(loss) attributable to owners of the Company *(US$'000)*	**7,055**	(11,293)
Weighted average number of ordinary shares in issue	**1,687,236,241**	1,687,236,241
Basic earnings/(loss) per share *(US cents)*	**0.42**	(0.67)
Diluted earnings/(loss) per share *(US cents)*	**0.42**	(0.67)

The diluted earnings/(loss) per share is the same as the basic earnings/(loss) per share as there were no dilutive potential shares in issue during the years ended 31 March 2020 and 2019.

12 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Movements in the interests in a joint venture and an associate are as follows:

	2020	2019
	US$'000	US$'000
At 1 April	**–**	143
Dividends received from a joint venture	**–**	(132)
Currency translation differences	**–**	(1)
Disposal of interest in a joint venture *(note)*	**–**	(10)
At 31 March	**–**	–

Note: During the year ended 31 March 2019, the Group disposed its entire equity interest in a joint venture to an independent third party.

13 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

(a) Classification of financial assets at fair value through other comprehensive income

These comprise listed equity securities which are not held for trading, and which the Group has irrevocably elected at initial recognition to recognise in this category. These are strategic investments and the Group considers this classification to be more relevant.

(b) Equity investments at fair value through other comprehensive income

	2020	2019
	US$'000	US$'000
At 1 April	**3,044**	8,979
Fair value losses charged to other comprehensive income	**(1,813)**	(5,939)
Currency translation differences	**36**	4
At 31 March *(note)*	**1,267**	3,044

Note: The balance represents the fair value of the ordinary shares of Most Kwai Chung Limited which are listed on the Main Board of the Hong Kong Stock Exchange. Dividends from the above equity investments held at FVOCI totaling US$135,000 (2019: nil) were recognised in the consolidated statement of profit or loss.

14 DIVIDENDS

	2020 US$'000	2019 US$'000
Dividends attributable to the year:		
First interim, paid, US0.16 cents (2018/2019: US0.18 cents) per ordinary share	**2,700**	3,037
Second interim, declared after the end of the reporting period, US0.10 cents (2018/2019: US0.10 cents) per ordinary share	**1,687**	1,687
	4,387	4,724
Dividends paid during the year:		
Second interim, 2018/2019, US0.10 cents (2017/2018: US0.18 cents) per ordinary share *(note (a))*	**1,687**	3,037
First interim, 2019/2020, US0.16 cents (2018/2019: US0.18 cents) per ordinary share *(note (b))*	**2,700**	3,037
	4,387	6,074

The Board of Directors has declared a second interim dividend of US0.10 cents (2018/2019: US0.10 cents) per ordinary share in respect of the year ended 31 March 2020. The dividend will be payable on 30 July 2020 to shareholders whose names appear on the register of members of the Company at the close of business on 13 July 2020 in cash in RM or in Hong Kong Dollar ("HK$") at the average exchange rates used during the year ended 31 March 2020 for the translation of the results of the subsidiaries whose functional currencies are not US$. No tax is payable on the dividend declared by the Company to be received by shareholders in Malaysia as it is income from foreign source in accordance with paragraph 28 of Schedule 6 of Malaysian Income Tax Act 1967. This interim dividend has not been recognised as a dividend payable in these consolidated financial statements.

The average exchange rates used during the year ended 31 March 2020 of US$ to RM and US$ to HK$, and the amount of the second interim dividend payable are as follows:

	Exchange rates	**Dividend per ordinary share**
US$ to RM	4.1350	0.414 sen
US$ to HK$	7.7583	HK0.776 cents

Notes:

(a) The second interim dividend of US0.10 cents per ordinary share, totaling US$1,687,000 in respect of the year ended 31 March 2019, was paid on 12 July 2019.

(b) The first interim dividend of US0.16 cents per ordinary share, totaling US$2,700,000 in respect of the year ended 31 March 2020, was paid on 30 December 2019.

15 EMPLOYEE BENEFIT EXPENSE (INCLUDING DIRECTORS' EMOLUMENTS)

	2020	2019
	US$'000	US$'000
Pension costs — defined benefit plans *(Note 30(b))*	**138**	150
Pension costs — defined contribution plans	**6,088**	6,392
Retirement benefit obligations *(Note 29)*	**80**	(9)
Wages and salaries	**65,348**	69,599
Unutilised annual leave	**(34)**	(84)
Other staff costs	**9,250**	11,467
	80,870	87,515

16 BENEFITS AND INTERESTS OF DIRECTORS

(a) The remuneration of every director and chief executive for the years ended 31 March 2020 and 2019 is set out below:

Name of Director	**Fees US$'000**	**Salaries US$'000**	**Bonuses US$'000**	**Cash allowance US$'000**	**Other benefits in kind US$'000** *(note (i))*	**Employer's contributions to pension schemes US$'000**	**Total US$'000**
Non-executive Chairman and non-executive director							
Dato' Sri Dr TIONG Ik King	**38**	**–**	**–**	**1**	**–**	**–**	**39**
Group Chief Executive Officer and executive director							
Mr TIONG Kiew Chiong *(note (ii))*	**17**	**338**	**29**	**–**	**46**	**39**	**469**
Executive directors							
Ms TIONG Choon *(note (iii))*	**75**	**–**	**–**	**–**	**–**	**–**	**75**
Mr LEONG Chew Meng	**–**	**153**	**23**	**–**	**3**	**27**	**206**
Independent non-executive directors							
Mr YU Hon To, David *(note (iv))*	**54**	**–**	**–**	**–**	**–**	**–**	**54**
Datuk CHONG Kee Yuon	**21**	**–**	**–**	**1**	**–**	**–**	**22**
Mr KHOO Kar Khoon	**21**	**–**	**–**	**1**	**–**	**–**	**22**
Total for the year ended 31 March 2020	**226**	**491**	**52**	**3**	**49**	**66**	**887**

16 BENEFITS AND INTERESTS OF DIRECTORS *(Continued)*

(a) *(Continued)*

Name of Director	Fees US$'000	Salaries US$'000	Bonuses US$'000	Cash allowance US$'000	Other benefits in kind US$'000 *(note (i))*	Employer's contributions to pension schemes US$'000	Total US$'000
Non-executive director							
Tan Sri Datuk Sir TIONG Hiew King	24	–	–	–	–	–	24
Non-executive Chairman and non-executive director							
Dato' Sri Dr TIONG Ik King	38	–	–	1	–	–	39
Group Chief Executive Officer and executive director							
Mr TIONG Kiew Chiong *(note (ii))*	17	326	36	–	44	29	452
Executive directors							
Ms TIONG Choon *(note (iii))*	76	–	–	–	–	–	76
Mr LEONG Chew Meng	–	156	23	–	3	28	210
Independent non-executive directors							
Mr YU Hon To, David *(note (iv))*	54	–	–	–	–	–	54
Datuk CHONG Kee Yuon	21	–	–	1	–	–	22
Mr KHOO Kar Khoon	21	–	–	1	–	–	22
Total for the year ended 31 March 2019	251	482	59	3	47	57	899

Notes:

(i) Other benefits in kind included housing, use of company cars, air tickets for home trips, insurance coverage and club membership.

(ii) The remuneration of Mr TIONG Kiew Chiong included his fee as an executive director of One Media in the amount of US$17,000 (2019: US$17,000).

(iii) The remuneration of Ms TIONG Choon included her fee as a non-executive director of One Media in the amount of US$17,000 (2019: US$17,000).

(iv) The director's fee for Mr YU Hon To, David included his fee as an independent non-executive director of One Media in the amount of US$23,000 (2019: US$23,000).

(v) No director waived any emoluments and no emoluments were paid to the directors as an inducement fee to join or as compensation for loss of office during the years ended 31 March 2020 and 2019.

(b) Directors' retirement and termination benefits

No retirement and termination benefits were paid to or receivable by any director during the years ended 31 March 2020 and 2019 in respect of services as a director of the Company and its subsidiary undertakings or in respect of other services in connection with the management of the affairs of the Company or its subsidiary undertakings.

16 BENEFITS AND INTERESTS OF DIRECTORS *(Continued)*

(c) Consideration provided to third parties for making available directors' services

No consideration was provided to or receivable by third parties for making available directors' services during the years ended 31 March 2020 and 2019.

(d) Information about loans, quasi-loans and other dealings entered into by the Company and its subsidiary undertakings, where applicable, in favour of the directors

There were no loans, quasi-loans or other dealings in favour of the directors, their controlled bodies corporate and connected parties during the years ended 31 March 2020 and 2019.

(e) Directors' material interests in transactions, arrangements or contracts

There were no significant transactions, arrangements and contracts in relation to the Group's business to which the Company or its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the years ended 31 March 2020 and 2019.

(f) The 5 highest paid individuals during the year included 1 (2019: 1) executive director whose emolument is reflected in the analysis presented in (a). The emoluments paid to the remaining 4 (2019: 4) individuals during the year are as follows:

	2020	2019
	US$'000	US$'000
Fees	**17**	17
Salaries	**946**	944
Bonuses	**94**	53
Other benefits in kind	**1**	2
Employer's contributions to pension schemes	**9**	9
	1,067	1,025

The emoluments of the 4 (2019: 4) individuals fall within the following bands:

	Number of individuals	
	2020	2019
From US$191,909 to US$255,879 (equivalent to HK$1,500,001 to HK$2,000,000)	**2**	3
From US$255,880 to US$319,849 (equivalent to HK$2,000,001 to HK$2,500,000)	**2**	1
	4	4

17 PROPERTY, PLANT AND EQUIPMENT

	Property												
	Freehold land and buildings outside Hong Kong US$'000	Long-term leasehold land outside Hong Kong US$'000 *(note(d))*	Long-term buildings outside Hong Kong US$'000	Medium-term leasehold land in Hong Kong US$'000 *(note(d))*	Medium-term buildings in Hong Kong US$'000	Medium-term leasehold land outside Hong Kong US$'000 *(note(d))*	Medium-term buildings outside Hong Kong US$'000	Leasehold improvements, furniture, fixtures and office equipment US$'000	Machinery and printing equipment US$'000	Motor vehicles US$'000	Right-of-use assets US$'000	Construction-in-progress US$'000	Total US$'000
At 31 March 2018													
Cost	22,498	1,927	4,624	15,196	8,681	13,645	22,603	33,782	98,146	2,257	–	107	223,466
Accumulated depreciation and impairment provision	(3,443)	(297)	(1,052)	(7,077)	(5,252)	(3,332)	(13,402)	(28,645)	(64,861)	(1,852)	–	–	(129,213)
Net book amount	19,055	1,630	3,572	8,119	3,429	10,313	9,201	5,137	33,285	405	–	107	94,253
Year ended 31 March 2018													
Opening net book amount	19,055	1,630	3,572	8,119	3,429	10,313	9,201	5,137	33,285	405	–	107	94,253
Additions	1	–	–	–	–	–	–	760	34	123	–	469	1,387
Currency translation differences	(983)	(88)	(193)	(2)	(1)	(559)	(501)	(208)	(1,687)	(19)	–	(7)	(4,248)
Reclassification to intangible assets	–	–	–	–	–	–	–	(4)	–	–	–	(44)	(48)
Provision for impairment of property, plant and equipment	–	–	–	–	–	–	–	–	(2,750)	–	–	–	(2,750)
Disposals	–	–	–	–	–	–	–	(28)	(2,028)	(21)	–	–	(2,077)
Depreciation *(note (a))*	(271)	(28)	(141)	(277)	(240)	(250)	(977)	(1,338)	(3,650)	(136)	–	–	(7,308)
Closing net book amount	17,802	1,514	3,238	7,840	3,188	9,504	7,723	4,319	23,204	352	–	525	79,209
At 31 March 2019													
Cost	21,343	1,823	4,373	15,194	8,680	12,904	21,374	32,588	80,678	2,034	–	525	201,516
Accumulated depreciation and impairment provision	(3,541)	(309)	(1,135)	(7,354)	(5,492)	(3,400)	(13,651)	(28,269)	(57,474)	(1,682)	–	–	(122,307)
Net book amount	17,802	1,514	3,238	7,840	3,188	9,504	7,723	4,319	23,204	352	–	525	79,209
Year ended 31 March 2020													
Opening net book amount	**17,802**	**1,514**	**3,238**	**7,840**	**3,188**	**9,504**	**7,723**	**4,319**	**23,204**	**352**	**–**	**525**	**79,209**
Adjustment for change in accounting policy	**–**	**(1,514)**	**–**	**(7,840)**	**–**	**(9,504)**	**–**	**–**	**–**	**–**	**20,167**	**–**	**1,309**
Net book amount at 1 April 2019	**17,802**	**–**	**3,238**	**–**	**3,188**	**–**	**7,723**	**4,319**	**23,204**	**352**	**20,167**	**525**	**80,518**
Additions	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**667**	**31**	**58**	**1,592**	**23**	**2,371**
Currency translation differences	**(870)**	**–**	**(165)**	**–**	**37**	**–**	**(360)**	**(145)**	**(1,040)**	**(15)**	**(469)**	**(13)**	**(3,040)**
Reclassification to investment properties	**(901)**	**–**	**–**	**–**	**–**	**–**	**(668)**	**–**	**–**	**–**	**(153)**	**–**	**(1,722)**
Reclassification to intangible assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(513)**	**(513)**
Revaluation upon transfer to investment properties	**376**	**–**	**–**	**–**	**–**	**–**	**118**	**–**	**–**	**–**	**124**	**–**	**618**
Provision for impairment of property, plant and equipment	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(100)**	**–**	**–**	**–**	**–**	**(100)**
Disposals	**(118)**	**–**	**–**	**–**	**–**	**–**	**(15)**	**(33)**	**(2)**	**(70)**	**–**	**–**	**(238)**
Depreciation (note (a))	**(266)**	**–**	**(137)**	**–**	**(241)**	**–**	**(911)**	**(1,231)**	**(3,034)**	**(107)**	**(1,298)**	**–**	**(7,225)**
Closing net book amount	**16,023**	**–**	**2,936**	**–**	**2,984**	**–**	**5,887**	**3,477**	**19,159**	**218**	**19,963**	**22**	**70,669**
At 31 March 2020													
Cost	**19,483**	**–**	**4,143**	**–**	**8,788**	**–**	**19,479**	**31,368**	**77,715**	**1,650**	**32,171**	**22**	**194,819**
Accumulated depreciation and impairment provision	**(3,460)**	**–**	**(1,207)**	**–**	**(5,804)**	**–**	**(13,592)**	**(27,891)**	**(58,556)**	**(1,432)**	**(12,208)**	**–**	**(124,150)**
Net book amount	**16,023**	**–**	**2,936**	**–**	**2,984**	**–**	**5,887**	**3,477**	**19,159**	**218**	**19,963**	**22**	**70,669**

Notes:

(a) Depreciation expense of US$3,034,000 (2019: US$3,650,000) was included in "Cost of goods sold" and US$4,191,000 (2019: US$3,658,000) was included in "Other operating expenses" in the consolidated statement of profit or loss.

(b) As at 31 March 2020, properties with carrying value of US$2,943,000 (2019: US$3,045,000) were pledged as security for the Group's borrowings *(Note 35)*.

(c) Total property, plant and equipment amounting to US$26,586,000 attributable to several CGUs within the publishing and printing segment with impairment indicators identified were subject to impairment assessment. The results of the impairment assessments revealed that, except for an impairment of US$100,000 which was required to be recognised for a CGU located in Hong Kong, no further impairment charge was necessary for the current year. The recoverable amount of that CGU was determined based on value-in-use calculations and the discount rate used by management in the discounted cash flows ("DCF") under VIU model related to the impaired CGU was 21.8%.

17 PROPERTY, PLANT AND EQUIPMENT *(Continued)*

Notes: (Continued)

(d) From 1 April 2019, right-of-use assets included long-term leasehold land outside Hong Kong, medium-term leasehold land in Hong Kong and medium-term leasehold land outside Hong Kong. Refer to Note 2.2 for details about the changes in accounting policy.

18 LEASES

(a) Amounts recognised in the consolidated statement of financial position

	31 March 2020	1 April 2019
	US$'000	US$'000
Right-of-use assets		
Leasehold land	**17,804**	18,858
Properties	**2,159**	1,309
	19,963	20,167
Lease liabilities — Properties		
Current	**839**	650
Non-current	**1,354**	657
	2,193	1,307

Additions to the right-of-use assets during the year ended 31 March 2020 were US$1,592,000. *(Note 17)*

(b) Amounts recognised in the consolidated statement of comprehensive income

The consolidated statement of comprehensive income included the following amounts relating to leases:

	2020
	US$'000
Depreciation of right-of-use assets — leasehold land	**552**
Depreciation of right-of-use assets — Properties	**746**
Interest expense on lease liabilities	**53**
Expense relating to short-term leases	**389**
Expense relating to leases of low-value assets	**153**

The total cash outflow for leases during the year ended 31 March 2020 was US$1,301,000.

The Group's leasing activities and how these are accounted for

The Group leases various properties and equipments. Rental contracts are typically made for fixed periods of 1 to 10 years.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor.

Notes to the Financial Statements

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19 INVESTMENT PROPERTIES

	2020	2019
	US$'000	US$'000
At 1 April	**20,913**	16,437
Addition	**–**	4,652
Reclassification from property, plant and equipment	**1,722**	–
Fair value gains on investment properties, net *(Note 7)*	**189**	516
Currency translation differences	**(960)**	(692)
At 31 March	**21,864**	20,913

The fair value of the Group's investment properties is analysed as follows:

	2020	2019
	US$'000	US$'000
In Malaysia, held on:		
Freehold	**5,349**	4,614
Leases of over 50 years	**4,813**	5,024
Leases of between 10 to 50 years	**7,802**	7,375
	17,964	17,013
In United States ("USA"), held on:		
Freehold	**3,900**	3,900
	21,864	20,913

Fair value hierarchy

	Fair value measurements at 31 March 2020 using		
Description	**Quoted prices in active markets for identical assets (Level 1) US$'000**	**Significant other observable inputs (Level 2) US$'000**	**Significant unobservable inputs (Level 3) US$'000**
Recurring fair value measurements			
Malaysia	–	17,964	–
USA	–	–	3,900

There were no transfers between levels 1, 2 and 3 during the year.

Notes to the Financial Statements

For the year ended 31 March 2020

19 INVESTMENT PROPERTIES *(Continued)*

Valuation processes and techniques

Independent valuations were performed by Raine & Horne International Zaki + Partners Sdn Bhd and Betsy Mak Appraisal Group LLC to determine the fair values of the Group's investment properties as at 31 March 2020 and 2019. The revaluation gains or losses were included in 'Other (losses)/gains, net' in the consolidated statement of profit or loss (*Note* 7).

For the properties in Malaysia, fair values of investment properties have been generally determined using the sales comparison approach. Sales prices of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot.

For the property in the USA, the valuation was determined using income capitalisation approach and sales comparison approach based on significant unobservable inputs. These inputs included:

Future rental cash inflows	—	Based on the actual location, type and quality of the properties and supported by the terms of any existing lease, other contracts and external evidence such as current market rents for similar properties;
Estimated vacancy rates	—	Based on current and expected future market conditions after expiry of any current lease;
Maintenance costs	—	Including necessary investments to maintain functionality of the property for its expected useful life;
Capitalisation rates	—	Based on actual location, size and quality of the properties and taking into account market data at the valuation date.

Information about fair value measurements using significant unobservable inputs (Level 3):

Description	Fair value at 31 March 2020 US$'000	Valuation techniques	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Commercial building — USA	3,900	Income capitalisation approach and sales comparison approach	Rental value	US$283,800 per annum (2019: US$275,467 per annum)	The higher the rental value, the higher the fair value
			Capitalisation rate	4.75% (2019: 4.75%)	The higher the capitalisation rate, the lower the fair value
			Vacancy rate	2%–4% (2019: 2%–4%)	The higher the vacancy rate, the lower the fair value
			Estimated expenses	US$25.95 per square foot (2019: US$25.07 per square foot)	The higher the estimated expenses, the lower the fair value

There are inter-relationships between the unobservable inputs. Estimated vacancy rates may impact the yield, with higher vacancy rates resulting in lower yields. An increase in future rental income may be linked with higher expenses. If the remaining lease term increases, the yield may decrease.

19 INVESTMENT PROPERTIES *(Continued)*

The following amounts have been recognised in the consolidated statement of profit or loss:

	2020	2019
	US$'000	US$'000
Rental income	**745**	710
Direct operating expenses arising from investment properties that generated rental income	**(180)**	(168)
	565	542

The investment properties are leased to tenants under operating leases with rental payable monthly.

The Group has future aggregate minimum lease payments receivables under non-cancellable operating leases as follows:

	2020	2019
	US$'000	US$'000
No later than one year	**317**	326
Later than one year and no later than five years	**95**	242
	412	568

19 INVESTMENT PROPERTIES *(Continued)*

Particulars of the Group's investment properties at fair values as at 31 March 2020 and 2019 are as follows:

	Location	Tenure/ Expiry of lease	Uses	2020 US$'000	2019 US$'000
1	No. 25, Rawang Integrated Industrial Park, Jalan Batu Arang, 48000 Rawang, Selangor Darul Ehsan, Malaysia	Freehold	Office building and single storey factory building	**4,405**	4,533
2	No. 37-06, Prince Street, Flushing NY 11354, USA	Freehold	Commercial building	**3,900**	3,900
3	No. 9, Jalan Dewani, Kawasan Perindustrian Dewani, 81200 Johor Bahru, Johor Darul Takzim	Freehold	Single storey detached factory with a mezzanine floor	**869**	–
4	PT12917 HS(D) 103390 (Ground Floor) Putra Indah A, Putra Nilai, 71800 Nilai, Negeri Sembilan Darul Khusus, Malaysia	Freehold	Commercial building	**63**	66
5	V5-09-05, Block 5, Sri Palma Villa, Jalan KL-Seremban, Bandar University Teknologi Lagenda, 71700 Mantin, Negeri Sembilan Darul Khusus, Malaysia	Freehold	Residential building (1 unit of service apartment)	**12**	15
6	No. 3, Lorong Kilang F, Kolombong, 88450 Kota Kinabalu, Sabah, Malaysia	Leasehold/2920	Office building	**1,831**	1,885
7	Lot 22, Jalan Sultan Mohamed 4, Taman Perindustrian Bandar Sultan Sulaiman, 42000 Pelabuhan Klang Utara, Selangor Darul Ehsan, Malaysia	Leasehold/2105	Warehouse	**2,713**	2,840
8	AR09-F3A0, Ara Ria 09, Jalan UTL 9, Bandar University Teknologi Lagenda, 71700 Mantin, Negeri Sembilan Darul Khusus, Malaysia	Leasehold/2099	Residential building	**14**	15
9	59-1-2, Jalan TMR 2, Taman Melaka Raya, 75000 Melaka, Malaysia	Leasehold/2094	Commercial building	**255**	284
10	No. 76, Jalan Universiti, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia	Leasehold/2063	Office building	**2,574**	2,717
11	19, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia	Leasehold/2059	Office, factory building and warehouse	**4,435**	4,658
12	No. 11, Persiaran Sri Rapat, Off Jalan Lapangan Terbang, 31350 Ipoh, Perak Darul Ridzuan	Leasehold/2039	Single storey detached factory	**793**	–
				21,864	20,913

20 INTANGIBLE ASSETS

	Archives, mastheads and publishing rights US$'000	Computer softwares US$'000	Broadcast licence US$'000	Sub-total US$'000	Goodwill US$'000 *(note (b))*	Total US$'000
At 1 April 2018						
Cost	23,334	6,987	136	30,457	54,995	85,452
Accumulated amortisation and impairment provision	(14,140)	(5,466)	(91)	(19,697)	(38,892)	(58,589)
Net book amount	9,194	1,521	45	10,760	16,103	26,863
Year ended 31 March 2019						
Opening net book amount	9,194	1,521	45	10,760	16,103	26,863
Additions	–	291	–	291	–	291
Reclassifications from property, plant and equipment	–	48	–	48	–	48
Amortisation expense *(note (a))*	(365)	(519)	(45)	(929)	–	(929)
Provision for impairment of mastheads *(note (c))*	(476)	–	–	(476)	–	(476)
Provision for impairment of goodwill	–	–	–	–	(15,227)	(15,227)
Currency translation differences	(502)	(51)	–	(553)	(876)	(1,429)
Closing net book amount	7,851	1,290	–	9,141	–	9,141
At 31 March 2019						
Cost	22,356	7,016	136	29,508	52,202	81,710
Accumulated amortisation and impairment provision	(14,505)	(5,726)	(136)	(20,367)	(52,202)	(72,569)
Net book amount	7,851	1,290	–	9,141	–	9,141
Year ended 31 March 2020						
Opening net book amount	**7,851**	**1,290**	**–**	**9,141**	**–**	**9,141**
Additions	**–**	**833**	**–**	**833**	**–**	**833**
Reclassification from property, plant and equipment	**–**	**513**	**–**	**513**	**–**	**513**
Write-off of intangible assets	**–**	**(40)**	**–**	**(40)**	**–**	**(40)**
Amortisation expense *(note (a))*	**(364)**	**(447)**	**–**	**(811)**	**–**	**(811)**
Provision for impairment of intangible assets	**–**	**(11)**	**–**	**(11)**	**–**	**(11)**
Currency translation differences	**(398)**	**(81)**	**–**	**(479)**	**–**	**(479)**
Closing net book amount	**7,089**	**2,057**	**–**	**9,146**	**–**	**9,146**
At 31 March 2020						
Cost	**21,523**	**8,055**	**138**	**29,716**	**49,679**	**79,395**
Accumulated amortisation and impairment provision	**(14,434)**	**(5,998)**	**(138)**	**(20,570)**	**(49,679)**	**(70,249)**
Net book amount	**7,089**	**2,057**	**–**	**9,146**	**–**	**9,146**

20 INTANGIBLE ASSETS *(Continued)*

Notes:

(a) Amortisation expense of US$811,000 (2019: US$929,000) is included in "Other operating expenses" in the consolidated statement of profit or loss.

(b) Goodwill acquired through business combination is allocated to cash-generating units ("CGUs"), including Sin Chew Media Corporation Berhad ("SCMC"), Mulu Press Sdn Bhd and Sinchew-i Sdn Bhd. The allocation is made to those CGUs that are expected to benefit from the business combination.

Goodwill of US$49,018,000 was recognised as at 31 March 2008, as a result of 506,667,259 ordinary shares of HK$0.1 each being deemed to have been issued on 31 March 2008 for the acquisition of certain equity interest in SCMC from its non-controlling shareholders.

During the year ended 31 March 2019, management performed annual goodwill impairment assessment on SCMC CGU. The recoverable amount was determined based on the income approach and discounted cash flows projections approved by management covering a five-year period. Based on the annual goodwill impairment assessment, the carrying amounts of goodwill were fully impaired.

(c) Mastheads represented the printing rights of certain publications owned by the Group. During the year ended 31 March 2020, no provision for impairment was recognised (2019: US$476,000).

(d) Total intangible assets amounting to US$7,462,000 attributable to several CGUs within the publishing and printing segment with impairment indicators identified were subject to impairment assessment. Management further assessed the recoverable amounts of those CGUs and provision for impairment of intangible assets of US$11,000 of a CGU located in Hong Kong was provided. Discount rate used by management in the DCF is disclosed in Note 17.

Notes to the Financial Statements

For the year ended 31 March 2020

21 DEFERRED INCOME TAX

The analysis of deferred income tax assets and liabilities is as follows:

	2020 **US$'000**	2019 US$'000
Deferred income tax assets:		
to be recovered within 12 months	**(6)**	(6)
to be recovered after 12 months	**(114)**	(218)
	(120)	(224)
Deferred income tax liabilities:		
to be settled within 12 months	**603**	667
to be settled after 12 months	**4,930**	5,300
	5,533	5,967
Deferred income tax liabilities, net	**5,413**	5,743

Movements in net deferred income tax liabilities are as follows:

	2020 **US$'000**	2019 US$'000
At 1 April	**5,743**	7,162
Credited to the consolidated statement of profit or loss	**(177)**	(1,151)
Currency translation differences	**(153)**	(268)
At 31 March	**5,413**	5,743

Notes to the Financial Statements

For the year ended 31 March 2020

21 DEFERRED INCOME TAX *(Continued)*

The components of deferred income tax (assets)/liabilities recognised in the consolidated statement of financial position and the movements (prior to offsetting of the balances within the same tax jurisdiction) during the year are as follows:

	Accelerated tax depreciation US$'000	Provision for impairment and write-off of trade and other receivables US$'000	Provision for employee benefits and other liabilities US$'000	Decelerated tax depreciation US$'000	Tax losses US$'000	Revaluation on other properties US$'000	Deferred revenue US$'000	Total US$'000
At 1 April 2018	8,572	(46)	(1,291)	(21)	(26)	612	(638)	7,162
(Credited)/charged to the consolidated statement of profit or loss	(1,687)	–	120	(1)	26	222	169	(1,151)
Currency translation differences	(359)	2	68	–	–	(12)	33	(268)
At 31 March 2019	6,526	(44)	(1,103)	(22)	–	822	(436)	5,743
At 1 April 2019	**6,526**	**(44)**	**(1,103)**	**(22)**	**–**	**822**	**(436)**	**5,743**
(Credited)/charged to the consolidated statement of profit or loss	**(535)**	**42**	**8**	**(1)**	**–**	**143**	**166**	**(177)**
Currency translation differences	**(206)**	**2**	**58**	**–**	**–**	**(24)**	**17**	**(153)**
At 31 March 2020	**5,785**	**–**	**(1,037)**	**(23)**	**–**	**941**	**(253)**	**5,413**

Deferred income tax assets are recognised for tax loss carried-forwards to the extent that the realisation of the related tax benefits through future taxable profits is probable. The Group has unrecognised tax losses of US$83,104,000 (2019: US$80,073,000) to be carried forward to offset against future taxable income. Losses amounting to US$21,012,000 (2019: US$10,723,000) will expire within 5 years. Losses amounting to US$24,367,000 (2019: US$26,714,000) will expire between 6 and 20 years. The remaining tax losses amounting to US$37,725,000 (2019: US$42,636,000) have no expiry date.

22 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

(a) Classification of financial assets at fair value through profit or loss

Financial assets mandatorily measured at FVPL include the following:

	2020	2019
	US$'000	US$'000
Listed equity securities in Hong Kong, at market value *(note)*	**328**	348
Unlisted club debenture	**97**	96
	425	444

Note:

The listed equity securities were designated as financial assets at fair value through profit or loss at inception. The fair values of the listed equity securities were based on their current bid prices in an active market.

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets at fair value through profit or loss.

(b) Amounts recognised in profit or loss

During the year, the following net losses were recognised in profit or loss:

	2020	2019
	US$'000	US$'000
Fair value losses on financial assets at FVPL recognised in other (losses)/gains, net *(Note 7)*	**26**	12

23 FINANCIAL INSTRUMENTS BY CATEGORY

Assets	Financial assets at amortised cost US$'000	Financial assets at fair value through profit or loss US$'000	Financial assets at fair value through other comprehensive income US$'000	Total US$'000
Financial assets at fair value through other comprehensive income *(Note 13)*	**–**	**–**	**1,267**	**1,267**
Trade and other receivables excluding prepayments	**21,997**	**–**	**–**	**21,997**
Financial assets at fair value through profit or loss *(Note 22)*	**–**	**425**	**–**	**425**
Short-term bank deposits *(Note 26)*	**13,430**	**–**	**–**	**13,430**
Cash and cash equivalents *(Note 26)*	**60,452**	**–**	**–**	**60,452**
At 31 March 2020	**95,879**	**425**	**1,267**	**97,571**
Financial assets at fair value through other comprehensive income *(Note 13)*	–	–	3,044	3,044
Trade and other receivables excluding prepayments	29,903	–	–	29,903
Financial assets at fair value through profit or loss *(Note 22)*	–	444	–	444
Short-term bank deposits *(Note 26)*	5,951	–	–	5,951
Cash and cash equivalents *(Note 26)*	69,204	–	–	69,204
At 31 March 2019	105,058	444	3,044	108,546

Liabilities	Financial liabilities at amortised cost **2020** **US$'000**	2019 US$'000
Bank and other borrowings *(Note 28)*	**19,362**	19,912
Trade and other payables excluding non-financial liabilities	**17,470**	28,487
Lease liabilities *(Note 18)*	**2,193**	–
	39,025	48,399

24 INVENTORIES

	2020	2019
	US$'000	US$'000
Raw materials and consumables	**19,075**	24,053
Finished goods	**964**	816
	20,039	24,869

Raw materials and consumables recognised as expenses and included in "Cost of goods sold" amounted to US$31,947,000 (2019: US$43,107,000).

25 TRADE AND OTHER RECEIVABLES

	2020	2019
	US$'000	US$'000
Trade receivables *(note)*	**21,730**	29,189
Less: provision for loss allowance of trade receivables	**(1,844)**	(2,068)
Trade receivables, net	**19,886**	27,121
Deposits and prepayments	**4,157**	7,036
Other receivables	**1,209**	1,788
	25,252	35,945

As at 31 March 2020 and 2019, the fair values of trade and other receivables approximated the carrying amounts.

Note: The Group allows in general a credit period ranging from 7 to 120 days to its trade customers.

As at 31 March 2020 and 2019, the ageing analysis of the trade receivables (including amounts due from related parties of trading in nature) based on invoice date is as follows:

	2020	2019
	US$'000	US$'000
1 to 60 days	**11,819**	18,565
61 to 120 days	**5,631**	5,955
121 to 180 days	**1,423**	1,217
Over 180 days	**2,857**	3,452
	21,730	29,189

25 TRADE AND OTHER RECEIVABLES *(Continued)*

Note: *(Continued)*

The carrying amounts of the trade receivables were denominated in the following currencies:

	2020	2019
	US$'000	US$'000
RM	**12,562**	16,581
HK$	**6,267**	8,752
CAD	**1,645**	2,500
US$	**992**	1,071
Other currencies	**264**	285
	21,730	29,189

The Group has trade receivables from customers engaged in various industries and which are not concentrated in any specific geographical area. Credit risk concentration with respect to trade receivables is mitigated by the Group's large customer base.

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers are monitored on an ongoing basis to reduce the Group's exposure to bad debts. The credit period for trade receivables, depending on the business area, ranges from 7 days to 120 days.

During the year ended 31 March 2020, the Group has recognised a net loss of US$115,000 (2019: US$37,000) for the impairment of its trade receivables and directly written off an amount of US$364,000 (2019: written off US$253,000). The individually impaired receivables mainly related to customers that were in unexpected difficult economic situations. These are included in "Selling and distribution expenses" in the consolidated statement of profit or loss.

25 TRADE AND OTHER RECEIVABLES *(Continued)*

Note: *(Continued)*

Movements in the provision for loss allowance of trade receivables are as follows:

	2020 **US$'000**	2019 US$'000
At 1 April	**2,068**	2,290
Net provision for loss allowance	**115**	37
Receivables written off against allowance	**(273)**	(181)
Currency translation differences	**(66)**	(78)
At 31 March	**1,844**	2,068

The creation and release of provision for loss allowance of trade receivables have been included in "Selling and distribution expenses" in the consolidated statement of profit or loss. Amounts in the allowance account are generally utilised to write off receivables when there is no expectation of further recovery.

The Group holds deposits and bank guarantees of US$1,387,000 (2019: US$1,624,000) and US$3,700,000 (2019: US$3,891,000) respectively provided by the customers as security for certain trade receivables with a carrying amount of US$3,980,000 (2019: US$5,001,000). Other than that, the Group does not hold any collateral as security.

The maximum exposure to credit risk at the reporting date is the carrying amounts of each class of receivables mentioned above.

26 CASH AND CASH EQUIVALENTS AND SHORT-TERM BANK DEPOSITS

	2020 **US$'000**	2019 US$'000
Cash at bank and on hand	**31,475**	40,418
Short-term bank deposits (maturity date within 3 months)		
— pledged	**387**	–
— non-pledged	**28,590**	28,786
Cash and cash equivalents	**60,452**	69,204
Short-term bank deposits (maturity date over 3 months)		
— pledged	**129**	–
— non-pledged	**13,301**	5,951
	13,430	5,951
	73,882	75,155
Maximum credit risk exposure	**73,730**	74,938

26 CASH AND CASH EQUIVALENTS AND SHORT-TERM BANK DEPOSITS *(Continued)*

The carrying amounts of the cash and cash equivalents and short-term bank deposits were denominated in the following currencies:

	2020	2019
	US$'000	US$'000
RM	**46,477**	41,380
HK$	**15,775**	22,938
US$	**5,770**	5,188
CAD	**3,734**	2,436
RMB	**460**	793
Other currencies	**1,666**	2,420
	73,882	75,155

The effective interest rates on short-term bank deposits ranged from 1.43% to 7.00% per annum during the year ended 31 March 2020 (2019: 1.44% to 3.90%); the maturity dates of these deposits ranged from 7 to 365 days (2019: 2 to 365 days).

27 TRADE AND OTHER PAYABLES

	2020	2019
	US$'000	US$'000
Trade payables *(note)*	**5,419**	12,905
Accrued charges and other payables	**16,909**	19,891
	22,328	32,796

As at 31 March 2020 and 2019, the fair values of trade and other payables approximated the carrying amounts.

Note: As at 31 March 2020 and 2019, the ageing analysis of the trade payables (including amounts due to related parties of trading in nature) based on invoice date is as follows:

	2020	2019
	US$'000	US$'000
1 to 60 days	**4,420**	10,993
61 to 120 days	**798**	1,718
121 to 180 days	**25**	63
Over 180 days	**176**	131
	5,419	12,905

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28 BANK AND OTHER BORROWINGS

	2020	2019
	US$'000	US$'000
Current		
Short-term bank borrowings (secured)	**17,650**	18,125
Short-term bank borrowings (unsecured)	**1,712**	1,787
Total bank and other borrowings	**19,362**	19,912

Notes:

(a) The carrying amounts of the bank borrowings were denominated in the following currencies:

	2020	2019
	US$'000	US$'000
HK$	**17,103**	17,198
RM	**1,712**	1,787
US$	**547**	927
	19,362	19,912

As at 31 March 2020 and 2019, the fair values of the bank borrowings approximated the carrying amounts.

(b) The bank borrowings were repayable, without taking into account the repayable on demand clauses, as follows:

	2020	2019
	US$'000	US$'000
Within 1 year	**13,531**	13,848
Between 1 and 2 years	**310**	306
Between 2 and 5 years	**929**	917
More than 5 years	**4,592**	4,841
	19,362	19,912

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29 OTHER NON-CURRENT LIABILITIES

	2020	2019
	US$'000	US$'000
Retirement benefit obligations *(note)*	**847**	693
Defined benefit plan liabilities *(Note 30)*	**597**	681
	1,444	1,374
Current portion of other non-current liabilities	**(60)**	(45)
	1,384	1,329

Note: Retirement benefit obligations represent the present value of the Group's obligations under the following:

(a) long service payment and severance payment obligations for its employees in Hong Kong (the "HK LSP/SP"); and

(b) an unfunded defined benefit retirement scheme for its eligible employees in Malaysia (the "Malaysia Scheme").

The amounts recognised in the consolidated statement of financial position are as follows:

	2020	2019
	US$'000	US$'000
Present value of the retirement benefit obligations	**847**	693

Notes to the Financial Statements

For the year ended 31 March 2020

29 OTHER NON-CURRENT LIABILITIES *(Continued)*

Note: (Continued)

Movements in the retirement benefit obligations during the year are as follows:

	2020	2019
	US$'000	US$'000
At 1 April	**693**	816
Current service cost	**60**	(36)
Interest cost	**20**	27
Retirement benefit obligations paid	**(45)**	(57)
Remeasurements of post-employment benefit obligations	**137**	(27)
Currency translation differences	**(18)**	(30)
At 31 March	**847**	693

The amounts recognised in the consolidated statement of profit or loss are as follows:

	2020	2019
	US$'000	US$'000
Current service cost	**60**	(36)
Interest cost	**20**	27
Total included in employee benefit expense *(Note 15)*	**80**	(9)

The principal actuarial assumptions used are as follows:

For obligations under the HK LSP/SP:

	2020	2019
Discount rate	**0.8%**	2.2%
Expected inflation rate	**2.5%**	2.5%
Expected rate of future salary increases	**2.5%**	3.5%
Interest on employer balances in the Scheme *(Note 30(b))*	**4.5%**	5.0%
Interest on employer balances in the Mandatory Provident Fund Scheme	**3.5%**	4.0%

For obligations under the Malaysia Scheme:

	2020	2019
Discount rate	**3.7%**	4.6%
Expected inflation rate	**3.0%**	3.0%
Expected rate of future salary increases	**5.8%**	5.8%

30 DEFINED BENEFIT PLAN LIABILITIES

The Group operates a number of staff retirement schemes which include a hybrid retirement benefit scheme (the "Scheme") for its employees in Hong Kong.

(a) The Scheme has three categories of members: Regular Member, Special Member and Defined Benefit ("DB") Member

Regular Member (defined contribution)	—	defined contribution type of benefits based on accumulated employer's contributions and investment gains and losses thereon.
Special Member (defined benefit)	—	benefits based on salary and service or accumulated employer's contributions with credited investment gains and losses, whichever is higher.
DB Member (defined benefit)	—	benefits based on final salary and service only.

Regular Members and Special Members are required to contribute monthly at 5% of their basic monthly salaries to the Scheme. The accumulated members' contributions with investment gains and losses thereon will be paid to the members upon their cessation of employment in addition to the benefits described above.

Expected Group's contributions to the Scheme for the year ending 31 March 2021 are US$35,000.

(b) Defined benefit scheme for Special Member and DB Member

Pension costs are assessed using the projected unit credit method. The pension costs are charged to the consolidated statement of profit or loss so as to spread the regular costs over the service lives of employees. A full valuation of the defined benefit scheme based on the projected unit credit method has been carried out by Towers Watson Hong Kong Limited, an independent qualified actuary, and the pension costs are charged to the consolidated statement of profit or loss in accordance with its advice.

The amounts recognised in the consolidated statement of financial position are determined as follows:

	2020 **US$'000**	2019 US$'000
Fair value of the plan assets	**1,567**	1,639
Present value of the defined benefit obligations	**(2,164)**	(2,320)
Net liabilities in the consolidated statement of financial position (*Note* 29)	**(597)**	(681)

30 DEFINED BENEFIT PLAN LIABILITIES *(Continued)*

(b) Defined benefit scheme for Special Member and DB Member *(Continued)*

Movements in the fair value of the plan assets are as follows:

	2020	2019
	US$'000	US$'000
At 1 April	**1,639**	2,114
Group contributions paid	**38**	41
Interest income	**26**	38
Scheme administration costs	**(77)**	(77)
Actual benefits paid	**(94)**	(282)
Remeasurements on plan assets	**15**	(195)
Currency translation differences	**20**	–
At 31 March	**1,567**	1,639

Movements in the present value of the defined benefit obligations are as follows:

	2020	2019
	US$'000	US$'000
At 1 April	**2,320**	2,909
Current service cost	**50**	59
Interest cost	**37**	52
Actual benefits paid	**(94)**	(282)
Remeasurements on obligations	**(178)**	(419)
Currency translation differences	**29**	1
At 31 March	**2,164**	2,320

The amounts recognised in the consolidated statement of profit or loss are as follows:

	2020	2019
	US$'000	US$'000
Current service cost	**(50)**	(59)
Interest cost	**(37)**	(52)
Interest income	**26**	38
Scheme administration costs	**(77)**	(77)
Total pension costs included in employee benefit expense *(Note 15)*	**(138)**	(150)

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30 DEFINED BENEFIT PLAN LIABILITIES *(Continued)*

(b) Defined benefit scheme for Special Member and DB Member *(Continued)*

Movements in the net liabilities recognised in the consolidated statement of financial position are as follows:

	2020 **US$'000**	2019 US$'000
At 1 April	**(681)**	(795)
Total pension costs recognised in the consolidated statement of profit or loss *(Note 15)*	**(138)**	(150)
Remeasurements recognised in other comprehensive income	**193**	224
Group contributions paid	**38**	41
Currency translation differences	**(9)**	(1)
At 31 March	**(597)**	(681)

The principal actuarial assumptions used are as follows:

	2020	2019
Discount rate	**0.6%**	1.6%
Expected rate of future salary increases	**2.5%**	3.5%
Interest on employer balances	**4.5%**	5.0%

The plan assets are managed by independent investment managers and are invested in unit trusts based on the long-term benchmark allocation of roughly 70% in equities and 30% in bonds and cash.

31 SHARE CAPITAL AND PREMIUM

	Number of ordinary shares	Issued share capital US$'000	Share premium US$'000	Total US$'000
At 31 March 2018 and 2019	1,687,236,241	21,715	54,664	76,379
At 31 March 2020	**1,687,236,241**	**21,715**	**54,664**	**76,379**

The number of authorised ordinary shares is 2,500 million shares (2019: 2,500 million shares) with a par value of HK$0.10 per share. All issued shares are fully paid.

32 OTHER RESERVES

	Capital redemption reserve US$'000	Exchange fluctuation reserve US$'000	Employee share-based payment reserve US$'000	Merger reserve US$'000	Financial assets at fair value through other comprehensive income reserve US$'000	Others US$'000	Total US$'000
At 1 April 2018	183	(12,837)	456	(92,647)	4,295	170	(100,380)
Currency translation differences	–	(8,617)	–	–	–	–	(8,617)
Currency translation differences released upon disposal of subsidiaries	–	157	–	–	–	–	157
Fair value change on financial assets at fair value through other comprehensive income	–	–	–	–	(4,333)	–	(4,333)
At 31 March 2019	183	(21,297)	456	(92,647)	(38)	170	(113,173)
At 1 April 2019	**183**	**(21,297)**	**456**	**(92,647)**	**(38)**	**170**	**(113,173)**
Currency translation differences	**–**	**(7,624)**	**–**	**–**	**–**	**–**	**(7,624)**
Fair value change on financial assets at fair value through other comprehensive income	**–**	**–**	**–**	**–**	**(1,325)**	**–**	**(1,325)**
Revaluation of land and buildings upon transfer to investment properties	**–**	**–**	**–**	**–**	**–**	**616**	**616**
At 31 March 2020	**183**	**(28,921)**	**456**	**(92,647)**	**(1,363)**	**786**	**(121,506)**

33 RETAINED EARNINGS

(a) Movements in the Group's retained earnings for the years ended 31 March 2020 and 2019 are presented in the consolidated statement of changes in equity on pages 94 and 95.

(b) Movements in the Company's retained earnings for the years ended 31 March 2020 and 2019 are presented in Note 40(b).

34 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Cash generated from operations

	2020 **US$'000**	2019 US$'000
Operating profit/(loss)	**9,985**	(3,884)
Fair value losses on financial assets at fair value through profit or loss, net	**26**	12
Fair value gains on investment properties, net	**(189)**	(516)
Fair value losses on other non-current financial assets	**–**	121
Depreciation of property, plant and equipment	**7,225**	7,308
Amortisation of intangible assets	**811**	929
Provision for loss allowance and write-off of trade and other receivables	**479**	290
Provision for impairment and write-off of inventories	**185**	227
Write-off of intangible assets	**40**	–
Dividend income	**(152)**	(17)
Interest income	**(1,546)**	(2,984)
Provision for impairment of property, plant and equipment	**100**	2,750
Provision for impairment of intangible assets	**11**	476
Provision for impairment of goodwill	**–**	15,227
Losses on disposal of subsidiaries and joint ventures	**–**	218
(Gains)/losses on disposal of property, plant and equipment, net	**(301)**	2,013
Pension costs — defined benefit plans	**138**	150
Retirement benefit obligations	**80**	(9)
Operating profit before working capital changes	**16,892**	22,311
Changes in working capital		
Inventories	**3,670**	(8,077)
Trade and other receivables	**9,605**	8,150
Trade and other payables	**(9,869)**	764
Contract liabilities	**(10,018)**	483
Cash generated from operations	**10,280**	23,631

34 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS *(Continued)*

(b) In the consolidated statement of cash flows, proceeds from disposal of property, plant and equipment comprised:

	2020	2019
	US$'000	US$'000
Property, plant and equipment — net book amount *(Note 17)*	**238**	2,077
Gains/(losses) on disposal of property, plant and equipment, net	**301**	(2,013)
Proceeds from disposal of property, plant and equipment	**539**	64

(c) Reconciliation of liabilities arising from financing activities

	Bank borrowings	**Medium-term notes**	**Lease liabilities**	**Total liabilities from financing activities**
	US$'000	US$'000	US$'000	US$'000
At 1 April 2018	10,202	58,245	–	68,447
Net cash inflows/(outflows)	9,914	(55,006)	–	(45,092)
Currency translation differences	(204)	(3,239)	–	(3,443)
At 31 March 2019	19,912	–	–	19,912
Recognised on adoption of IFRS 16 (*Note* 2.2)	–	–	1,307	1,307
At 1 April 2019	**19,912**	**–**	**1,307**	**21,219**
Net cash outflows	**(686)**	**–**	**(706)**	**(1,392)**
Acquisition — leases	**–**	**–**	**1,592**	**1,592**
Currency translation differences	**136**	**–**	**–**	**136**
At 31 March 2020	**19,362**	**–**	**2,193**	**21,555**

35 PLEDGE OF ASSETS

As at 31 March 2020, certain of the Group's banking facilities were secured by the following:

(a) first legal charges on certain of the Group's leasehold land and buildings with an aggregate carrying value of US$2,943,000 at 31 March 2020 (2019: US$3,045,000) and assignment of rental income derived therefrom;

(b) corporate guarantees issued by the Company.

36 CONTINGENCIES

(a) As at 31 March 2020, there are several libel suits which involve claims against some companies in the Group. The Group has been strongly contesting those claims. Even though the final outcome of the proceedings is still uncertain as of the date these financial statements are authorised for issue, the directors of the Company are of the opinion that the respective ultimate liability, if any, will not have a material adverse impact upon the Group's financial position.

(b) As at 31 March 2020, the Group had short-term bank deposits of US$516,000 pledged to a bank for a bank guarantee issued.

37 COMMITMENTS

(a) Capital commitments

Capital commitments outstanding at 31 March 2020 and 2019 are as follows:

	2020	2019
	US$'000	US$'000
Property, plant and equipment		
Authorised and contracted for	**509**	1,278
Authorised but not contracted for	**–**	42
	509	1,320
Intangible assets		
Authorised and contracted for	**1**	1
Authorised but not contracted for	**–**	6
	1	7

(b) Operating lease commitments

The Group leases various offices under non-cancellable operating lease agreements. From 1 April 2019, the Group has recognised right-of-use assets for these leases, except for short-term and low-value leases. Please see Note 2.24 and Note 18 for details. As at 31 March 2020, the Group had no material lease commitments for short-term and low-value leases.

38 RELATED PARTY TRANSACTIONS

(a) Related party transactions

	2020 US$'000	2019 US$'000
Advertising income received from related companies *(note (i))*	**(2)**	(5)
Commission received from sales of honey from a related company *(note (i))*	**(1)**	(1)
Gain on disposal of a motor vehicle to a member of the Company's senior management team	**(11)**	–
Motor vehicle insurance premiums paid to a related company *(note (i))*	**1**	–*
Newsprint purchases from a related company *(note (i))*	**–**	725
Provision of accounting and administrative services to related companies *(note (i))*	**(6)**	(17)
Provision of editorial pagination services to a related company *(note (i))*	**–**	(30)
Provision of engineering professional services by a related company *(note (i))*	**39**	47
Provision of legal services by a related company *(note (ii))*	**98**	–
Purchases of air tickets from a related company *(note (i))*	**10**	8
Purchases of mineral water from a related company *(note (i))*	**1**	–*
Rental expenses paid to related companies *(note (i))*	**93**	92
Scrap sales of old newspapers and magazines to a related company *(note (i))*	**–**	(98)

* negligible

Notes:

(i) Certain shareholders and directors of the Company are shareholders and/or directors of these related companies.

(ii) A director of a subsidiary of the Company is an associate of the related company.

(iii) All the transactions above have been entered into in the normal course of business and have been charged at predetermined rates agreed mutually by the parties involved.

(iv) The investment property (*Note* 19) acquired during the year ended 31 March 2019 was from a related company on normal commercial terms and mutually agreed price.

(b) Key management compensation

Key management comprised members of the Group's executive committees, some of whom are directors of the Company. The compensation paid or payable to the key management for employee services is shown below:

	2020 US$'000	2019 US$'000
Directors' fees, basic salaries, bonuses, other allowances and benefits-in-kind	**1,793**	1,783
Employer's contributions to pension schemes	**128**	116
	1,921	1,899

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38 RELATED PARTY TRANSACTIONS *(Continued)*

(c) Year-end balances with related parties

	2020	2019
	US$'000	US$'000
Receivables from related companies	**–**	1
Payables to related companies	**–**	(3)

(d) Ultimate controlling party

The ultimate controlling party of the Group is Tan Sri Datuk Sir TIONG Hiew King, who holds an aggregate equity of 64.85% in the Company as at 31 March 2020. Details of the interests held by Tan Sri Datuk Sir TIONG Hiew King in the Company are set out in "Substantial Shareholders' Interests And Short Positions In The Shares And Underlying Shares Of The Company" on page 82.

39 PARTICULARS OF PRINCIPAL SUBSIDIARIES

(a) Particulars of the Company's principal subsidiaries at 31 March 2020 that are incorporated and operate in Hong Kong are as follows:

Name of subsidiary	**Paid-up issued/ registered capital**	**Effective equity interest**	**Principal activities**
Charming Holidays Limited	HK$1,000,000	100%	Provision of travel and travel related services
Charming Holidays (North America) Limited	HK$2	100%	Investment holding
Holgain Limited	HK$20	100%	Property investment
Kin Ming Printing Company Limited	HK$10,000	100%	Provision of printing services
WAW Creation Limited (formerly named as MCIL Digital Limited)	HK$1	100%	Provision of creative and marketing solutions
MediaNet Advertising Limited	HK$100	73.01%	Media operation
Ming Pao Education Publications Limited	HK$1	100%	Digital multimedia business and books publishing
Ming Pao Holdings Limited	HK$1,000,000	100%	Investment holding and provision of management services
Ming Pao Magazines Limited	HK$1,650,000	73.01%	Publication and distribution of magazines
Ming Pao Newspapers Limited	HK$2	100%	Publication and distribution of newspapers and periodicals
Ming Pao Publications Limited	HK$10	100%	Publication and distribution of books
ST Productions Limited	HK$4,000,003	58.41%	Artiste and events management
Yazhou Zhoukan Limited	HK$9,500	100%	Publication and distribution of magazines

39 PARTICULARS OF PRINCIPAL SUBSIDIARIES *(Continued)*

(b) Particulars of the Company's principal subsidiaries at 31 March 2020 that are incorporated and operate in Malaysia are as follows:

Name of subsidiary	Paid-up issued/ registered capital	Effective equity interest	Principal activities
The China Press Berhad	RM4,246,682	99.75%	Publication of newspapers and provision of printing services
Guang-Ming Ribao Sdn Bhd	RM4,000,000	100%	Publication and distribution of newspapers
Mulu Press Sdn Bhd	RM500,000	100%	Distribution of newspapers and provision of editorial and advertising services
Nanyang Press Holdings Berhad	RM79,466,375	100%	Publication and distribution of newspapers and magazines, investment holding and letting of properties
Nanyang Press Marketing Sdn Bhd	RM1,000,000	100%	Provision of marketing and circulation services of newspapers
Nanyang Siang Pau Sdn Bhd	RM60,000,000	100%	Publication of newspaper and magazines
Sinchew-i Sdn Bhd	RM25,000,000	100%	Investment holding
Sin Chew Media Corporation Berhad	RM151,467,497	100%	Publication and distribution of newspapers and magazines and provision of printing services

39 PARTICULARS OF PRINCIPAL SUBSIDIARIES *(Continued)*

(c) Particulars of the Company's principal subsidiaries at 31 March 2020 that are incorporated outside Hong Kong and Malaysia are as follows:

Name of subsidiary	Place of incorporation/ operation	Paid-up issued/ registered capital	Effective equity interest	Principal activities
Comwell Investment Limited	The British Virgin Islands ("BVI")/HK	HK$1	100%	Investment holding
Delta Tour & Travel Services (Canada), Inc.	Canada/Canada	CAD530,000	100%	Provision of travel and travel related services
Delta Tour & Travel Services, Inc.	The United States of America ("USA")/USA	US$300,500	100%	Provision of travel and travel related services
Ming Pao Enterprise Corporation Limited	The Cayman Islands ("CI")/HK	US$1	100%	Investment holding
Ming Pao Holdings (Canada) Limited	Canada/Canada	CAD1	100%	Investment holding
Ming Pao Holdings (USA) Inc.	USA/USA	US$1	100%	Investment holding
Ming Pao Newspapers (Canada) Limited	Canada/Canada	CAD11	100%	Publication and distribution of newspapers and periodicals
One Media Group Limited	CI/HK	HK$400,900	73.01%	Investment holding
One Media Holdings Limited	BVI/HK	US$200	73.01%	Investment holding
PT Sinchew Indonesia	Indonesia/Indonesia	US$1,500,000	80%	Acting as newspaper distribution agent
Sinchew (USA) Inc.	USA/USA	US$200	100%	Letting of property
Taiwan One Media Group Limited	Taiwan/Taiwan	TWD1,000,000	73.01%	Magazine publishing

The table above includes the subsidiaries of the Company which, in the opinion of the directors, principally affected the Group's results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

40 STATEMENT OF FINANCIAL POSITION OF THE COMPANY

		At 31 March	
		2020	2019
	Note	**US$'000**	US$'000
ASSETS			
Non-current assets			
Interests in subsidiaries		**215,412**	229,484
Current assets			
Other receivables		**27**	31
Cash and cash equivalents		**88**	86
		115	117
Current liabilities			
Other payables		**1,036**	1,054
		1,036	1,054
Net current liabilities		**(921)**	(937)
Total assets less current liabilities		**214,491**	228,547
EQUITY			
Equity attributable to owners of the Company			
Share capital		**21,715**	21,715
Share premium		**54,664**	54,664
Other reserves	*(a)*	**(30,410)**	(18,328)
Retained earnings	*(b)*	**168,522**	170,496
Total equity		**214,491**	228,547

The statement of financial position of the Company was approved by the Board of Directors on 24 June 2020 and was signed on its behalf by:

Dato' Sri Dr TIONG Ik King
Director

TIONG Kiew Chiong
Director

40 STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(Continued)*

Notes:

(a) Movements in the Company's other reserves for the years ended 31 March 2020 and 2019 are as follows:

	Capital redemption reserve US$'000	Exchange fluctuation reserve US$'000	Contributed surplus US$'000	Total US$'000
At 1 April 2018	183	(33,585)	26,228	(7,174)
Currency translation differences	–	(11,154)	–	(11,154)
At 31 March 2019	183	(44,739)	26,228	(18,328)
At 1 April 2019	**183**	**(44,739)**	**26,228**	**(18,328)**
Currency translation differences	**–**	**(12,082)**	**–**	**(12,082)**
At 31 March 2020	**183**	**(56,821)**	**26,228**	**(30,410)**

The contributed surplus of the Company arose when the Company issued shares in exchange for the shares of subsidiaries being acquired, and represented the difference between the nominal value of the Company's shares issued and the value of net assets of the subsidiaries acquired. Under the Companies Act 1981 of Bermuda, the contributed surplus is distributable to owners of the Company. At the Group level, the contributed surplus is reclassified into its components of reserves of the underlying subsidiaries.

(b) Movements in the Company's retained earnings for the years ended 31 March 2020 and 2019 are as follows:

	2020 US$'000	2019 US$'000
At 1 April	**170,496**	132,563
Profit for the year	**4,354**	61,561
Second interim dividend, 2018/2019, paid, US0.10 cents (2017/2018: US0.18 cents)	**(1,687)**	(3,037)
First interim dividend, 2019/2020, paid, US0.16 cents (2018/2019: US0.18 cents)	**(2,700)**	(3,037)
Impairment for investments in subsidiaries	**(1,941)**	(17,554)
At 31 March	**168,522**	170,496

Additional Compliance Information

STATUTORY DECLARATION

Pursuant to Paragraph 4A.16 of the Listing Requirements of Bursa Malaysia Securities Berhad

I, FU Shuk Kuen, being the person primarily responsible for the financial management of Media Chinese International Limited, do solemnly and sincerely declare that the financial statements and supplementary information set out on pages 90 to 169 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the Oaths and Declarations Ordinance (Chapter 11) of the Laws of Hong Kong.

Subscribed and solemnly declared by FU Shuk Kuen
at Hong Kong
on 24 June 2020

Before me,

Notary Public

Five-Year Financial Summary

The results of the Group for the last five financial years are as follows:

	For the year ended 31 March				
	2020	2019	2018	2017	2016
	US$'000	US$'000	US$'000	US$'000	US$'000
Turnover	**239,217**	285,560	284,963	302,586	349,126
Profit/(loss) attributable to owners of the Company	**7,055**	(11,293)	(11,485)	15,156	26,649
Basic earnings/(loss) per share (US cents)	**0.42**	(0.67)	(0.68)	0.90	1.58

The assets and liabilities of the Group for the last five financial years are as follows:

	As at 31 March				
	2020	2019	2018	2017	2016
	US$'000	US$'000	US$'000	US$'000	US$'000
Property, plant and equipment	**70,669**	79,209	94,253	96,266	114,596
Investment properties	**21,864**	20,913	16,437	14,587	15,451
Intangible assets	**9,146**	9,141	26,863	43,231	53,516
Deferred income tax assets	**120**	224	243	226	300
Financial assets at fair value through other comprehensive income	**1,267**	3,044	–	–	–
Available-for-sale financial assets	**–**	–	8,979	–	–
Investments accounted for using the equity method	**–**	–	143	731	749
Other non-current financial assets	**–**	–	129	–	–
Non-current assets	**103,066**	112,531	147,047	155,041	184,612
Current assets	**120,045**	137,050	184,710	153,765	218,328
Current liabilities	**(52,042)**	(72,464)	(121,051)	(50,810)	(115,538)
Net current assets	**68,003**	64,586	63,659	102,955	102,790
Total assets less current liabilities	**171,069**	177,117	210,706	257,996	287,402
Non-controlling interests	**(645)**	(2,062)	(4,099)	(3,621)	(5,703)
Bank and other borrowings — non-current portion	**–**	–	–	(50,870)	(57,663)
Lease liabilities	**(1,354)**	–	–	–	–
Deferred income tax liabilities	**(5,533)**	(5,967)	(7,405)	(8,622)	(9,981)
Other non-current liabilities	**(1,384)**	(1,329)	(1,533)	(1,189)	(1,031)
Equity attributable to owners of the Company	**162,153**	167,759	197,669	193,694	213,024

Additional Information

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	(Unaudited) Year ended 31 March	
	2020	2019
	RM'000	RM'000
	(Note)	*(Note)*
Turnover	**1,031,743**	1,231,620
Cost of goods sold	**(714,975)**	(838,697)
Gross profit	**316,768**	392,923
Other income	**39,667**	34,206
Other (losses)/gains, net	**(630)**	461
Selling and distribution expenses	**(180,926)**	(208,762)
Administrative expenses	**(110,887)**	(127,527)
Other operating expenses	**(20,927)**	(42,379)
Operating profit before provision for impairment of goodwill	**43,065**	48,922
Provision for impairment of goodwill	**–**	(65,674)
Operating profit/(loss)	**43,065**	(16,752)
Finance costs	**(3,027)**	(11,442)
Profit/(loss) before income tax	**40,038**	(28,194)
Income tax expense	**(13,647)**	(22,337)
Profit/(loss) for the year	**26,391**	(50,531)
Profit/(loss) attributable to:		
Owners of the Company	**30,428**	(48,707)
Non-controlling interests	**(4,037)**	(1,824)
	26,391	(50,531)
Earnings/(loss) per share attributable to owners of the Company		
Basic (sen)	**1.81**	(2.89)
Diluted (sen)	**1.81**	(2.89)

Note: The presentation currency of these consolidated financial statements is US$. Additional information in RM for the year ended 31 March 2020 with comparatives are shown for reference only and have been made at the same exchange rate of US$1 to RM4.3130 ruling at 31 March 2020. This translation should not be construed as a representation that the US$ amounts actually represented have been, or could be, converted into RM at this or any other rate.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	(Unaudited) Year ended 31 March 2020 RM'000 (Note)	2019 RM'000 (Note)
Profit/(loss) for the year	**26,391**	(50,531)
Other comprehensive (loss)/income		
Items that may be reclassified subsequently to profit or loss:		
Currency translation differences	**(32,843)**	(37,321)
Currency translation differences released upon disposal of subsidiaries	**–**	927
Items that will not be reclassified subsequently to profit or loss:		
Fair value change on financial assets at fair value through other comprehensive income	**(7,819)**	(25,615)
Remeasurements of post-employment benefit obligations	**242**	1,083
Revaluation of land and buildings upon transfer to investment properties	**2,665**	–
Other comprehensive loss for the year, net of tax	**(37,755)**	(60,926)
Total comprehensive loss for the year	**(11,364)**	(111,457)
Total comprehensive loss for the year attributable to:		
Owners of the Company	**(5,257)**	(102,805)
Non-controlling interests	**(6,107)**	(8,652)
	(11,364)	(111,457)

Note: The presentation currency of these consolidated financial statements is US$. Additional information in RM for the year ended 31 March 2020 with comparatives are shown for reference only and have been made at the same exchange rate of US$1 to RM4.3130 ruling at 31 March 2020. This translation should not be construed as a representation that the US$ amounts actually represented have been, or could be, converted into RM at this or any other rate.

Additional Information

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(Unaudited) At 31 March 2020 RM'000 *(Note)*	2019 RM'000 *(Note)*
ASSETS		
Non-current assets		
Property, plant and equipment	**304,796**	341,628
Investment properties	**94,299**	90,198
Intangible assets	**39,446**	39,425
Deferred income tax assets	**518**	966
Financial assets at fair value through other comprehensive income	**5,465**	13,129
	444,524	485,346
Current assets		
Inventories	**86,428**	107,260
Trade and other receivables	**108,912**	155,031
Financial assets at fair value through profit or loss	**1,833**	1,915
Income tax recoverable	**1,928**	2,747
Short-term bank deposits	**57,924**	25,667
Cash and cash equivalents	**260,729**	298,477
	517,754	591,097
Current liabilities		
Trade and other payables	**96,300**	141,449
Contract liabilities	**38,338**	81,335
Income tax liabilities	**2,433**	3,679
Bank and other borrowings	**83,508**	85,880
Lease liabilities	**3,619**	–
Current portion of other non-current liabilities	**259**	194
	224,457	312,537
Net current assets	**293,297**	278,560
Total assets less current liabilities	**737,821**	763,906

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

	(Unaudited) At 31 March 2020 RM'000 *(Note)*	2019 RM'000 *(Note)*
EQUITY		
Equity attributable to owners of the Company		
Share capital	**93,657**	93,657
Share premium	**235,766**	235,766
Other reserves	**(524,055)**	(488,115)
Retained earnings	**893,999**	882,237
	699,367	723,545
Non-controlling interests	**2,782**	8,893
Total equity	**702,149**	732,438
Non-current liabilities		
Lease liabilities	**5,840**	–
Deferred income tax liabilities	**23,863**	25,736
Other non-current liabilities	**5,969**	5,732
	35,672	31,468
	737,821	763,906

Note: The presentation currency of these consolidated financial statements is US$. Additional information in RM as at 31 March 2020 with comparatives are shown for reference only and have been made at the same exchange rate of US$1 to RM4.3130 ruling at 31 March 2020. This translation should not be construed as a representation that the US$ amounts actually represented have been, or could be, converted into RM at this or any other rate.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	(Unaudited) Attributable to owners of the Company						
	Share capital RM'000 (Note)	Share premium RM'000 (Note)	Other reserves RM'000 (Note)	Retained earnings RM'000 (Note)	Sub-total RM'000 (Note)	Non-controlling interests RM'000 (Note)	Total equity RM'000 (Note)
At 1 April 2018	93,657	235,766	(432,938)	956,063	852,548	17,679	870,227
Loss for the year	–	–	–	(48,707)	(48,707)	(1,824)	(50,531)
Other comprehensive (loss)/income							
Items that may be reclassified subsequently to profit or loss:							
Currency translation differences	–	–	(37,166)	–	(37,166)	(155)	(37,321)
Currency translation differences released upon disposal of subsidiaries	–	–	677	–	677	250	927
Items that will not be reclassified subsequently to profit or loss:							
Fair value change on financial assets at fair value through other comprehensive income	–	–	(18,688)	–	(18,688)	(6,927)	(25,615)
Remeasurements of post-employment benefit obligations	–	–	–	1,079	1,079	4	1,083
Other comprehensive (loss)/income, net of tax	–	–	(55,177)	1,079	(54,098)	(6,828)	(60,926)
Total comprehensive loss for the year ended 31 March 2019	–	–	(55,177)	(47,628)	(102,805)	(8,652)	(111,457)
Total transactions with owners, recognised directly in equity							
2017/2018 second interim dividend	–	–	–	(13,099)	(13,099)	–	(13,099)
2018/2019 first interim dividend	–	–	–	(13,099)	(13,099)	–	(13,099)
2017/2018 interim dividend paid by an unlisted subsidiary	–	–	–	–	–	–*	–*
2018/2019 interim dividend paid by an unlisted subsidiary	–	–	–	–	–	(134)	(134)
	–	–	–	(26,198)	(26,198)	(134)	(26,332)
At 31 March 2019	93,657	235,766	(488,115)	882,237	723,545	8,893	732,438

* *negligible*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY *(Continued)*

	(Unaudited) Attributable to owners of the Company						
	Share capital RM'000 *(Note)*	Share premium RM'000 *(Note)*	Other reserves RM'000 *(Note)*	Retained earnings RM'000 *(Note)*	Sub-total RM'000 *(Note)*	Non-controlling interests RM'000 *(Note)*	Total equity RM'000 *(Note)*
At 1 April 2019	**93,657**	**235,766**	**(488,115)**	**882,237**	**723,545**	**8,893**	**732,438**
Profit/(loss) for the year	**–**	**–**	**–**	**30,428**	**30,428**	**(4,037)**	**26,391**
Other comprehensive (loss)/income							
Item that may be reclassified subsequently to profit or loss:							
Currency translation differences	**–**	**–**	**(32,882)**	**–**	**(32,882)**	**39**	**(32,843)**
Items that will not be reclassified subsequently to profit or loss:							
Fair value change on financial assets at fair value through other comprehensive income	**–**	**–**	**(5,715)**	**–**	**(5,715)**	**(2,104)**	**(7,819)**
Remeasurements of post-employment benefit obligations	**–**	**–**	**–**	**255**	**255**	**(13)**	**242**
Revaluation of land and buildings upon transfer to investment properties	**–**	**–**	**2,657**	**–**	**2,657**	**8**	**2,665**
Other comprehensive (loss)/income, net of tax	**–**	**–**	**(35,940)**	**255**	**(35,685)**	**(2,070)**	**(37,755)**
Total comprehensive (loss)/income for the year ended 31 March 2020	**–**	**–**	**(35,940)**	**30,683**	**(5,257)**	**(6,107)**	**(11,364)**
Total transactions with owners, recognised directly in equity							
2018/2019 second interim dividend	**–**	**–**	**–**	**(7,276)**	**(7,276)**	**–**	**(7,276)**
2019/2020 first interim dividend	**–**	**–**	**–**	**(11,645)**	**(11,645)**	**–**	**(11,645)**
2018/2019 interim dividend paid by an unlisted subsidiary	**–**	**–**	**–**	**–**	**–**	**(4)**	**(4)**
2019/2020 interim dividend paid by an unlisted subsidiary	**–**	**–**	**–**	**–**	**–**	**–***	**–***
	–	**–**	**–**	**(18,921)**	**(18,921)**	**(4)**	**(18,925)**
At 31 March 2020	**93,657**	**235,766**	**(524,055)**	**893,999**	**699,367**	**2,782**	**702,149**

* *negligible*

Note: The presentation currency of these consolidated financial statements is US$. Additional information in RM for the year ended 31 March 2020 with comparatives are shown for reference only and have been made at the same exchange rate of US$1 to RM4.3130 ruling at 31 March 2020. This translation should not be construed as a representation that the US$ amounts actually represented have been, or could be, converted into RM at this or any other rate.

CONSOLIDATED STATEMENT OF CASH FLOWS

	(Unaudited) Year ended 31 March 2020 RM'000 *(Note)*	2019 RM'000 *(Note)*
Cash flows from operating activities		
Cash generated from operations	**44,337**	101,921
Interest paid	**(3,027)**	(12,447)
Income tax paid	**(14,781)**	(23,075)
Net cash generated from operating activities	**26,529**	66,399
Cash flows from investing activities		
Dividends received	**656**	643
(Increase)/decrease in short-term bank deposits with original maturity over three months	**(32,257)**	53,312
Interest received	**6,668**	12,870
Proceeds from disposal of property, plant and equipment	**2,325**	276
Proceeds from disposal of subsidiaries and joint ventures	**–**	43
Purchases of intangible assets	**(3,593)**	(1,255)
Purchases of investment properties	**–**	(20,064)
Purchases of property, plant and equipment	**(3,360)**	(5,982)
Net cash (used in)/generated from investing activities	**(29,561)**	39,843
Cash flows from financing activities		
Dividends paid	**(18,921)**	(26,198)
Dividends paid to non-controlling interests by an unlisted subsidiary	**(4)**	(134)
Proceeds from bank and other borrowings	**20,861**	98,750
Repayments of bank and other borrowings	**(23,821)**	(293,232)
Principal elements of lease liabilities	**(3,045)**	–
Net cash used in financing activities	**(24,930)**	(220,814)
Net decrease in cash and cash equivalents	**(27,962)**	(114,572)
Cash and cash equivalents at beginning of year	**298,477**	439,595
Exchange adjustments on cash and cash equivalents	**(9,786)**	(26,546)
Cash and cash equivalents at end of year	**260,729**	298,477

Note: The presentation currency of these consolidated financial statements is US$. Additional information in RM for the year ended 31 March 2020 with comparatives are shown for reference only and have been made at the same exchange rate of US$1 to RM4.3130 ruling at 31 March 2020. This translation should not be construed as a representation that the US$ amounts actually represented have been, or could be, converted into RM at this or any other rate.

Analysis of Shareholdings

As at 3 July 2020

Authorised share capital	:	HK$250,000,000 divided into 2,500,000,000 ordinary shares of HK$0.10 each
Issued and paid-up capital	:	HK$168,723,624.10
Class of shares	:	ordinary shares of HK$0.10 each
Voting rights	:	one vote per ordinary share

ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of shareholdings	Number of shareholders	% of shareholders	Number of shares held	% of issued ordinary shares
1 to 99	654	6.37	28,477	–*
100 to 1,000	1,339	13.04	899,612	0.05
1,001 to 10,000	5,008	48.76	23,965,155	1.42
10,001 to 100,000	2,749	26.77	93,153,645	5.52
100,001 to less than 5% of issued shares	516	5.02	642,100,372	38.06
5% and above of issued shares	4	0.04	927,088,980	54.95
TOTAL	10,270	100.00	1,687,236,241	100.00

* *negligible*

DIRECTORS' INTERESTS

(a) The Company

	Direct interest		Indirect interest[9]	
Name of directors	Number of shares	% of issued ordinary shares	Number of shares	% of issued ordinary shares
Dato' Sri Dr TIONG Ik King	35,144,189	2.08	253,987,700[1]	15.05
Ms TIONG Choon	2,654,593	0.16	653,320[2]	0.04
			1,023,632[3]	0.06
Mr TIONG Kiew Chiong	4,087,539	0.24	–	–
Mr LEONG Chew Meng	80,000	–*	–	–

* *negligible*

Analysis of Shareholdings

As at 3 July 2020

DIRECTORS' INTERESTS *(Continued)*

(b) Subsidiary — One Media Group Limited

	Direct interest		Indirect interest[9]	
Name of directors	Number of shares	% of issued ordinary shares of One Media	Number of shares	% of issued ordinary shares of One Media
Dato' Sri Dr TIONG Ik King	–	–	292,700,000	73.01
Ms TIONG Choon	26,000	0.01	–	–

SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS

	Direct interest		Indirect interest[9]	
Name of shareholders	Number of shares	% of issued ordinary shares	Number of shares	% of issued ordinary shares
Tan Sri Datuk Sir TIONG Hiew King	87,109,058	5.16	1,006,844,190[4]	59.67
Dato' Sri Dr TIONG Ik King	35,144,189	2.08	253,987,700[1]	15.05
Tiong Toh Siong Holdings Sdn Bhd	378,998,616	22.46	–	–
Conch Company Limited	253,987,700	15.05	–	–
Kinta Hijau Sdn Bhd	129,424,143	7.67	–	–
Teck Sing Lik Enterprise Sdn Bhd	65,319,186	3.87	184,043,580[5]	10.91
Tiong Toh Siong Enterprises Sdn Bhd	1,744,317	0.10	151,493,027[6]	8.98
Pertumbuhan Abadi Asia Sdn Bhd	26,808,729	1.59	74,944,004[7]	4.44
Seaview Global Company Limited	–	–	253,987,700[8]	15.05

Notes:

(1) Deemed interested by virtue of his interest in Conch Company Limited.

(2) Deemed interested by virtue of her interests in TC Blessed Holdings Sdn Bhd.

(3) Deemed interested by virtue of her spouse's interests.

(4) Deemed interested by virtue of his interests in Tiong Toh Siong Holdings Sdn Bhd, Conch Company Limited, Kinta Hijau Sdn Bhd, Ezywood Options Sdn Bhd, Teck Sing Lik Enterprise Sdn Bhd, Madigreen Sdn Bhd, Rimbunan Hijau (Sarawak) Sdn Bhd, Rimbunan Hijau Southeast Asia Sdn Bhd, Pertumbuhan Abadi Asia Sdn Bhd and Tiong Toh Siong Enterprises Sdn Bhd.

(5) Deemed interested by virtue of its interests in Madigreen Sdn Bhd, Tiong Toh Siong Enterprises Sdn Bhd and Kinta Hijau Sdn Bhd.

(6) Deemed interested by virtue of its interest in Kinta Hijau Sdn Bhd, Rimbunan Hijau (Sarawak) Sdn Bhd and Rimbunan Hijau Southeast Asia Sdn Bhd.

(7) Deemed interested by virtue of its interests in Madigreen Sdn Bhd, Rimbunan Hijau (Sarawak) Sdn Bhd and Rimbunan Hijau Southeast Asia Sdn Bhd.

(8) Deemed interested by virtue of its interest in Conch Company Limited.

(9) The indirect interests of directors and shareholders of the Company presented in the above are calculated pursuant to the Malaysian Companies Act, 2016.

Analysis of Shareholdings

As at 3 July 2020

THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS AS PER RECORD OF DEPOSITORY OR REGISTER OF MEMBERS

(without aggregating the securities from different securities accounts belonging to the same registered holder)

No.	Name of shareholders	Number of shares held	% of issued ordinary shares
1	Tiong Toh Siong Holdings Sdn Bhd	378,998,616	22.46
2	HKSCC Nominees Limited	332,307,163	19.70
3	Kinta Hijau Sdn Bhd	129,424,143	7.67
4	Tan Sri Datuk Sir TIONG Hiew King	86,359,058	5.12
5	Ezywood Options Sdn Bhd	75,617,495	4.48
6	Teck Sing Lik Enterprise Sdn Bhd	65,319,186	3.87
7	Madigreen Sdn Bhd	52,875,120	3.13
8	Citigroup Nominees (Tempatan) Sdn Bhd (Employees Provident Fund Board)	35,944,522	2.13
9	Pertumbuhan Abadi Asia Sdn Bhd	26,808,729	1.59
10	CIMB Group Nominees (Tempatan) Sdn Bhd (CIMB Commerce Trustee Berhad for Hong Leong Regular Income Fund)	23,427,700	1.39
11	Citigroup Nominees (Tempatan) Sdn Bhd (Exempt An for Bank of Singapore Limited (Local))	22,000,000	1.30
12	Globegate Alliance Sdn Bhd	16,750,000	0.99
13	Citigroup Nominees (Tempatan) Sdn Bhd (Universal Trustee (Malaysia) Berhad for Principal Islamic Small Cap Opportunities Fund)	15,585,600	0.92
14	Rimbunan Hijau (Sarawak) Sdn Bhd	15,536,696	0.92
15	HSBC Nominees (Asing) Sdn Bhd (Exempt An for Bank Julius Baer & Co Ltd (Singapore Bch))	12,836,000	0.76
16	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad (Exempt An for Deutsche Bank AG Singapore (Maybank SG PWM)	11,144,189	0.66
17	Pertumbuhan Tiasa Sdn Bhd	10,230,945	0.61
18	Ms WONG Kieh Nguk	9,520,000	0.57
19	Ms WONG Souk Ming	8,289,374	0.49
20	Roseate Garland Sdn Bhd	7,881,117	0.47
21	Rimbunan Hijau Southeast Asia Sdn Bhd	6,532,188	0.39
22	Amanahraya Trustees Berhad (Public Ittikal Sequel Fund)	6,496,600	0.39
23	Maybank Nominees (Tempatan) Sdn Bhd (Maybank Trustees Berhad for CIMB-Principal Small Cap Fund (240218))	6,332,900	0.38
24	CGS-CIMB Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Mr TIONG Chiong Ong (MQ0517))	6,313,205	0.37
25	Citigroup Nominees (Tempatan) Sdn Bhd (Great Eastern Life Assurance (Malaysia) Berhad (PAR 1))	5,112,891	0.30
26	Ms WONG Siik Ngiik	4,455,000	0.26
27	Maybank Nominees (Tempatan) Sdn Bhd (Maybank Trustees Berhad for Manulife Investment CM Shariah Flexi FD (270785))	3,994,200	0.24
28	Mr GAN Chun Hui	3,592,200	0.21
29	Mr LEE Guan Seong	3,550,866	0.21
30	Ms TIONG Chiew	3,314,431	0.20
	TOTAL	1,386,550,134	82.18

List of Properties

As at 31 March 2020

The top 10 land and buildings in terms of highest net book amount owned by the Group are as follows:

	Location	Year of acquisition	Tenure/Expiry of lease	Description	Approximate land area (Sq ft)	Approximate built-up area (Sq ft)	Approximate age of buildings	Carrying amount US$'000
1	No. 1, Jalan SS7/2, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia	1994	Freehold	Office building	255,092	252,714	26 years	8,489
2	No. 78, Jalan Universiti, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia	2008	Leasehold/2059	Office building	128,172	132,800	11 years	6,615
3	No. 76, Jalan Universiti, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia	2001	Leasehold/2063	Printing plant	138,805	152,521	15 years	4,370
4	No. 19, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia	2019	Leasehold/2059	Office, factory building and warehouse	46,978	34,243	26 years	4,435
5	No. 25, Rawang Integrated Industrial Park, Jalan Batu Arang, 48000 Rawang, Selangor Darul Ehsan, Malaysia	2002	Freehold	Office building and single storey factory building	131,987	111,326	25 years	4,405
6	No. 37-06, Prince Street, Flushing NY 11354, USA	2012	Freehold	Commercial building	1,005	3,938	16 years	3,900
7	Lot 22, Jalan Sultan Mohamed 4, Taman Perindustrian Bandar Sultan Sulaiman, 42000 Pelabuhan Klang Utara, Selangor Darul Ehsan, Malaysia	2012	Leasehold/2105	Warehouse	144,624	77,024	25 years	2,713
8	No. 76 Jalan Universiti, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia	2001	Leasehold/2063	Office building	50,500	51,505	29 years	2,574
9	Workshops 1–16 on 1/F MP Industrial Centre No. 18 Ka Yip Street, Chai Wan, Hong Kong	1992	Leasehold/2047	Warehouse	–	33,232	28 years	2,513
10	No. 80, Jalan Riong, 59100 Kuala Lumpur, Malaysia	1976	Freehold	Office building	42,715	81,618	45 years	2,349

Notice of the 30th Annual General Meeting

NOTICE IS HEREBY GIVEN that the Thirtieth Annual General Meeting ("AGM") of Media Chinese International Limited will be held at (i) Sin Chew Media Corporation Berhad, Cultural Hall, No. 78, Jalan Universiti, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia (the "Broadcast Venue"); and (ii) 15th Floor, Block A, Ming Pao Industrial Centre, 18 Ka Yip Street, Chai Wan, Hong Kong on Wednesday, 26 August 2020 at 10:00 a.m. for the following purposes:

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 March 2020 together with the Directors' and Independent Auditor's Reports thereon. — Ordinary Resolution 1

2. To approve the payment of Directors' fees and benefits for the financial year ended 31 March 2020 in the amount of US$226,000. — Ordinary Resolution 2

3. To approve the payment of Directors' fees and benefits from this 30th AGM until the next AGM in the amount of US$216,000. — Ordinary Resolution 3

4. To re-elect the following Directors who retire pursuant to the Company's Bye-Laws:
   (i) Dato' Sri Dr TIONG Ik King — Ordinary Resolution 4
   (ii) Ms TIONG Choon — Ordinary Resolution 5
   (iii) Mr TIONG Kiew Chiong — Ordinary Resolution 6
   (iv) Datuk CHONG Kee Yuon — Ordinary Resolution 7

5. To re-appoint Messrs PricewaterhouseCoopers as auditor of the Company for the ensuing year and to authorise the Directors to fix its remuneration. — Ordinary Resolution 8

AS SPECIAL BUSINESS

To consider and, if thought fit, pass with or without amendments the following resolutions:

6. ORDINARY RESOLUTION

   RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR

   "**THAT** approval be and is hereby given to Mr YU Hon To, David who has served as an Independent Non-executive Director ("INED") for a cumulative term of more than twelve (12) years, to continue to act as INED of the Company until the conclusion of the next AGM in accordance with the Malaysian Code on Corporate Governance 2017." — Ordinary Resolution 9

Notice of the 30th Annual General Meeting

7. ORDINARY RESOLUTION

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

"**THAT**, subject to the provisions of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), approval be and is hereby given for the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with specific classes of Related Parties (as set out in Section 2 of Part A of the circular to shareholders dated 27 July 2020), which are necessary for the day-to-day operations of the Company and its subsidiaries, in the ordinary course of business on terms not more favourable than those generally available to the public and are not detrimental to the minority shareholders of the Company; Ordinary Resolution 10

THAT such an approval shall only continue to be in force until whichever is the earliest of:

(a) the conclusion of the next AGM of the Company at which time it will lapse, unless the mandate is renewed by an ordinary resolution passed at the next AGM;

(b) the expiration of the period within which the next AGM of the Company is required by any applicable laws or the Bye-Laws of the Company to be held; or

(c) the date on which the approval set out in this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.

AND **THAT** the Directors of the Company be and are hereby authorised to take all steps and to do all such acts and deeds as they may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

8. ORDINARY RESOLUTION

PROPOSED RENEWAL OF SHARE BUY-BACK MANDATE

Ordinary Resolution 11

"**THAT** subject to the rules, regulations, orders made pursuant to the Malaysian Companies Act, 2016 (the "Act'), provisions of the Company's Bye-Laws, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "HK Listing Rules"), the Listing Requirements of Bursa Securities or of any other stock exchange and any other relevant authority or approval for the time being in force or as amended from time to time, and paragraph (a) below, the Directors of the Company be and are hereby authorised to repurchase ordinary shares in the Company's issued share capital as may be determined by the Directors from time to time through The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), Bursa Securities or any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong, the Stock Exchange and Bursa Securities for this purpose, upon such terms and conditions as the Directors may deem fit, necessary and expedient in the interest of the Company, provided that:

(a) the total number of shares of the Company which may be repurchased pursuant to the approval in the paragraph above shall not exceed 10% of the total number of issued ordinary shares of the Company as at the date of passing this resolution (such total number to be subject to adjustment in the case of any consolidation or subdivision of any of the shares of the Company into a smaller or larger number of shares of the Company after the passing of this resolution), and the said approval shall be limited accordingly;

(b) the maximum funds to be allocated by the Company for the purpose of purchasing its shares shall not exceed the total retained earnings and share premium reserves of the Company at the time of the said purchase(s); and

(c) the authority conferred by this resolution shall commence immediately upon the passing of this resolution and continue to be in force during the Relevant Period.

For the purposes of this resolution, "Relevant Period' means the period from the passing of this resolution until whichever is the earliest of:

(i) the conclusion of the next AGM of the Company following the passing of the share buy-back resolution, at which time it will lapse, unless by ordinary resolution passed at that general meeting, the authority is renewed, either unconditionally or subject to conditions;

(ii) the expiration of the period within which the next AGM of the Company is required by any applicable laws or the Bye-Laws of the Company to be held; or

(iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.

THAT upon completion of the purchase by the Company of its own shares, the Directors of the Company be and are hereby authorised to cancel all the shares so purchased pursuant to Rule 10.06(5) of the HK Listing Rules and/or to deal with the shares in any other manner as may be allowed or prescribed by the Act, rules, regulations and orders made pursuant to the Act, the HK Listing Rules and Listing Requirements of Bursa Securities.

AND **THAT** the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient to implement, finalise or to effect the aforesaid purchase(s) of shares with full powers to assent to any conditions, modifications, resolutions, variations and/or amendments (if any) as may be imposed by the relevant authorities and to do all such acts and things as the Directors may deem fit and expedient in the best interests of the Company."

Notice of the 30th Annual General Meeting

9. ORDINARY RESOLUTION

PROPOSED GENERAL MANDATE TO ISSUE NEW SHARES

"**THAT**:

(a) subject to paragraph (c) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such power be and is hereby generally and unconditionally approved; Ordinary Resolution 12

(b) the approval in paragraph (a) above shall authorise the Directors of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such power after the end of the Relevant Period;

(c) the number of shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); (ii) an issue of shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into shares of the Company; (iii) an issue of shares as scrip dividends pursuant to the Bye-Laws of the Company from time to time; or (iv) an issue of shares under any option scheme or similar arrangement for the grant or issue of shares or rights to acquire shares of the Company, shall not exceed 10% of the total number of the issued shares of the Company as at the date of passing this resolution (such total number to be subject to adjustment in the case of any consolidation or subdivision of any of the shares of the Company into a smaller or larger number of shares of the Company after the passing of this resolution), and the said approval shall be limited accordingly; and

(d) for the purposes of this resolution, "Relevant Period" means the period from the passing of this resolution until whichever is the earliest of:

(i) the conclusion of the next AGM of the Company;

(ii) the expiration of the period within which the next AGM of the Company is required by any applicable laws or the Bye-Laws of the Company to be held; or

(iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.

"Rights Issue" means an offer of shares open for a period fixed by the Directors of the Company to the holders of the shares of the Company on the register on a fixed record date in proportion to their then holdings of such shares as at that date (subject to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong applicable to the Company)."

10. ORDINARY RESOLUTION

PROPOSED GENERAL MANDATE RELATING TO AN EXTENSION TO THE GENERAL MANDATE TO ISSUE NEW SHARES

"**THAT** subject to the passing of the resolutions Nos. 11 and 12 set out in the notice convening the meeting, the general mandate granted to the Directors of the Company to allot, issue and deal with additional shares pursuant to resolution No. 12 set out in the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the total number of issued shares of the Company repurchased by the Company under the authority granted pursuant to resolution No. 11 set out in the notice convening this meeting, provided that such amount of shares so repurchased shall not exceed 10% of the total number of issued shares of the Company as the date of the said resolution (such total number to be subject to adjustment in the case of any consolidation or subdivision of any of the shares of the Company into a smaller or larger number of shares of the Company after the passing of this resolution)." Ordinary Resolution 13

By Order of the Board
MEDIA CHINESE INTERNATIONAL LIMITED
TIN Suk Han
TONG Siew Kheng
Joint Company Secretaries

27 July 2020

Notes:

1. As a precautionary measure in view of the COVID-19 pandemic, the 30th AGM of the Company in Malaysia will be conducted on a virtual basis through remote participation and electronic voting facilities at the Broadcast Venue. Please follow the procedures provided in the Administrative Details for the 30th AGM in order to register, participate and vote remotely.

   The Chairman of the meeting will be present at the Broadcast Venue. No shareholders/proxies/corporate representatives from the public will be allowed to present at the Broadcast Venue on the day of the 30th AGM.

   For shareholders in Hong Kong, the 30th AGM of the Company held in Hong Kong will be conducted with additional measures, which will be followed at the AGM, including without limitations, (i) compulsory body temperature checks; (ii) wearing of surgical face masks prior to entering the meeting venue of the 30th AGM; (iii) each attendee being assigned a designated seat at the time of registration to ensure social distancing; and (iv) no refreshments will be served.

2. Any member of the Company entitled to attend and vote at the meeting is entitled to appoint one proxy or proxies to attend, participate, speak and vote instead of him. A proxy may but need not be a member of the Company. When a member appoints more than one proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy.

3. A member of the Company who is an authorised nominee as defined under the Malaysian Securities Industry (Central Depositories) Act 1991 may appoint at least one (1) proxy (but not more than two proxies) in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

4. For the purpose of the annual general meeting, the register of members in Hong Kong will be closed on Tuesday, 18 August 2020 to Wednesday, 26 August 2020, both days inclusive, during which no transfer of shares will be registered. In order to qualify for attending the forthcoming annual general meeting, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong share registrar and transfer office, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Monday, 17 August 2020. In respect of the shareholders in Malaysia, a depositor in Malaysia shall qualify for the entitlement to attend the annual general meeting only in respect of shares transferred into the depositor's securities account before 4:00 p.m. on Monday, 17 August 2020.

Shareholders who wish to request for transmission of their shares between the Malaysia Register and Hong Kong Register are advised to take note that request for transmission will be suspended from Tuesday, 18 August 2020 to Wednesday, 26 August 2020, both days inclusive.

5. To be valid, the proxy form, together with any power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be lodged with (i) Malaysia share registrar office of the Company at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, or alternatively, to submit the electronic proxy form via https://tiih.online, or (ii) the Hong Kong head office and principal place of business of the Company at 15th Floor, Block A, Ming Pao Industrial Centre, 18 Ka Yip Street, Chai Wan, Hong Kong, not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

6. Explanatory notes on special business:

    (a) Pursuant to the Listing Requirements of Bursa Securities, fees and benefits payable to directors should be approved by shareholders at general meeting. In this respect, the Company is seeking shareholders' approval on the directors' fees and benefits to the non-executive directors ("NEDs") under the proposed Ordinary Resolutions No. 2 and 3. The directors' benefits comprise meeting allowance as and when incurred, after the NEDs have discharged their services to the Company.

    For the proposed Ordinary Resolution No. 3, the total amount payable is estimated for a period of 13 months from the 30th AGM until the next AGM, based on the current Board remuneration structure and taking into account various factors including the number of scheduled Board meetings and Board committees meetings as well as the number of NEDs to be attended in these meetings.

    (b) For the proposed Ordinary Resolution No. 9, the tenure of Mr YU Hon To, David as an INED shall commence when the Company was dual-listed on Bursa Securities on 30 April 2008. In line with the Malaysian Code on Corporate Governance 2017, the Nomination Committee and the Board had assessed the independence of Mr YU Hon To, David, who has served as an INED for a cumulative term of more than twelve years, and recommended him to continue to act as an INED of the Company, based on the following justifications:

        (i) he has fulfilled all the requirements regarding independence of an INED and has provided annual confirmation of independence to the Company pursuant to Rule 3.13 of the HK Listing Rules and Paragraph 1.01 of the Listing Requirements of Bursa Securities. There is no evidence that his tenure has had any impact on his independence;

        (ii) he has professional expertise in audit and finance sector, and detailed knowledge in corporate governance and regulatory matters. He has proven commitment and experience to provide an element of objectivity, independent judgement and balance to the Board for informed and balance decision-makings; and

        (iii) he has exercised due care during his tenure as INED and has discharged his duties with reasonable skill and competence, bringing independent judgement and depth into the Board's decision-making in the interest of the Company and its shareholders.

    (c) The proposed Ordinary Resolution No. 10, if passed, will empower the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with related parties in the ordinary course of business based on normal commercial terms which are not more favourable to the related parties than those generally available to the public which are necessary for the day-to-day operations of the Company and its subsidiaries. Please refer to the circular to shareholders dated 27 July 2020 for more information.

    (d) The detailed information on Ordinary Resolution No. 11 on the proposed renewal of share buy-back mandate is set out in the circular to shareholders dated 27 July 2020 accompanying this Annual Report.

    (e) The Company has not issued any new shares under the general mandate for issuance and allotment of shares up to 10% of the total number of issued shares of the Company, which was approved at the 29th AGM held on 14 August 2019 and which will lapse at the conclusion of the 30th AGM to be held on 26 August 2020. A renewal of this mandate is sought at the 30th AGM under proposed Ordinary Resolution No. 12.

    The proposed Ordinary Resolution No. 12, if passed, will authorise the Directors to issue and allot shares up to 10% of the total number of issued shares of the Company for the time being for such purposes as the Directors would consider to be in the interest of the Company. This is to avoid any delay and cost involved in convening a general meeting to approve such an issue of shares. This authority, unless revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting, will expire at the conclusion of the next AGM of the Company.

    The general mandate, if passed, will provide flexibility to the Directors of the Company to allot and issue shares for any possible fund raising activities, including but not limited to placement of shares, for the purpose of funding future investment, working capital and/or acquisition.

Media Chinese International Limited

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